



General Assembly

January Session, 2007

Amendment

LCO No. 8398

SB0130708398HRO

Offered by:

REP. CAFERO, 142nd Dist.
REP. HAMZY, 78th Dist.
REP. KLARIDES, 114th Dist.

REP. WILLIAMS, 68th Dist.
REP. DELGOBBO, 70th Dist.
REP. FERRARI, 62nd Dist.

To: Senate Bill No. 1307

File No. 126

Cal. No. 500

***"AN ACT CONCERNING ADVERTISING BY OCCUPATIONAL
LICENSE HOLDERS."***

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective July 1, 2007*) On and after July 1, 2007, and
4 not later than July 1, 2017, the Secretary of the Office of Policy and
5 Management shall provide a five-hundred-dollar rebate for the
6 purchase and installation in residential structures of replacement
7 natural gas, propane and oil furnaces and boilers that are not less than
8 eighty-four per cent efficient. Persons may apply to the secretary, on a
9 form prescribed by the secretary, to receive such rebate. The rebate
10 shall be available for only a residential structure containing not more
11 than four dwelling units.

12 Sec. 502. Section 6 of public act 05-2 of the October 25 special session

13 is repealed and the following is substituted in lieu thereof (*Effective*
14 *from passage*):

15 The State Bond Commission shall have the power, from time to
16 time, to authorize the issuance of bonds of the state in one or more
17 series and in principal amounts not exceeding in the aggregate five
18 million dollars. The proceeds of the sale of said bonds shall be
19 deposited in the Energy Conservation Loan Fund established under
20 section 16a-40a of the general statutes for the purposes of making and
21 guaranteeing loans and deferred loans as provided in section 5 of [this
22 act] public act 05-2 of the October 25 special session and section 501 of
23 this act. All provisions of section 3-20 of the general statutes, or the
24 exercise of any right or power granted thereby which are not
25 inconsistent with the provisions of sections 16a-40 to 16a-40b,
26 inclusive, of the general statutes, as amended by section 5 of public act
27 05-191, and this section are hereby adopted and shall apply to all
28 bonds authorized by the State Bond Commission pursuant to said
29 sections 16a-40 to 16a-40b, inclusive, and this section, and temporary
30 notes in anticipation of the money to be derived from the sale of any
31 such bonds so authorized may be issued in accordance with said
32 section 3-20 and from time to time renewed. Such bonds shall mature
33 at such time or times not exceeding twenty years from their respective
34 dates as may be provided in or pursuant to the resolution or
35 resolutions of the State Bond Commission authorizing such bonds.
36 Said bonds issued pursuant to said sections 16a-40 to 16a-40b,
37 inclusive, and this section shall be general obligations of the state and
38 the full faith and credit of the state of Connecticut are pledged for the
39 payment of the principal of and interest on said bonds as the same
40 become due, and accordingly and as part of the contract of the state
41 with the holders of said bonds, appropriation of all amounts necessary
42 for punctual payment of such principal and interest is hereby made,
43 and the Treasurer shall pay such principal and interest as the same
44 become due.

45 Sec. 503. (*Effective from passage*) (a) On or before January 1, 2008, the
46 Energy Conservation Management Board, in consultation with the

47 electric distribution companies, shall develop and establish a program
48 to (1) provide rebates to residential customers of electric distribution
49 companies who replace an existing window air conditioning unit that
50 does not meet the federal Energy Star standard with a unit that does
51 meet said standard. Said program shall be in effect from January 1,
52 2008, to September 1, 2008. Such rebates shall be not less than twenty-
53 five dollars for an air conditioner with a retail price of one hundred
54 dollars to two hundred dollars; not less than fifty dollars for an air
55 conditioner with a retail price of more than two hundred dollars but
56 less than three hundred dollars; and not less than one hundred dollars
57 for an air conditioner with a retail price of more than three hundred
58 dollars, and (2) provide rebates of not less than five hundred dollars to
59 residential customers of electric distribution companies who replace an
60 existing central air conditioning unit that does not meet the federal
61 Energy Star standard with a unit that does meet said standard.

62 (b) The rebate program shall be funded by the Energy Conservation
63 and Load Management Funds established by the electric distribution
64 companies pursuant to section 16-245m of the general statutes.

65 (c) The Commissioner of Consumer Protection shall certify to
66 participate in the program established in subsection (a) of this section
67 only those retailers that will provide the rebate to only those customers
68 who present an air conditioning unit to a retailer for removal or
69 disposal upon or before the purchase of an air conditioning unit that
70 meets the federal Energy Star standard. The commissioner may impose
71 a fine of not more than ten thousand dollars on any retailer providing
72 the rebate without removing or disposing of an air conditioning unit.

73 (d) On or before January 1, 2009, the Department of Public Utility
74 Control shall report to the joint standing committee of the General
75 Assembly having cognizance of matters relating to energy the results
76 of the rebate program established in subsection (a) of this section.

77 Sec. 504. Section 16a-38k of the general statutes is repealed and the
78 following is substituted in lieu thereof (*Effective January 1, 2008*):

79 (a) Notwithstanding any provision of the general statutes, any (1)
80 new construction of a state facility [, except salt sheds, parking
81 garages, maintenance facilities or school construction,] that is projected
82 to cost not less than five million dollars, [or more,] and is approved
83 and funded on or after January 1, [2007] 2008, (2) renovation of a state
84 facility that is projected to cost not less than two million dollars, that is
85 financed with state funds and is approved and funded on or after
86 January 1, 2008, (3) new construction of a facility that is projected to
87 cost five million dollars, or more, of which two million dollars or more
88 is state funding, and is authorized by the General Assembly pursuant
89 to chapter 173 on or after January 1, 2009, and (4) renovation of a
90 public school facility as defined in subdivision (18) of section 10-282
91 that is projected to cost two million dollars or more, of which two
92 million dollars or more is state funding, and is authorized by the
93 General Assembly pursuant to chapter 173 on or after January 1, 2009,
94 shall comply with the regulations adopted pursuant to subsection (b)
95 of this section. The Secretary of the Office of Policy and Management,
96 in consultation with the Commissioner of Public Works, [and the
97 Institute for Sustainable Energy,] shall exempt any facility from
98 complying with said regulations if [said secretary] the Institute for
99 Sustainable Energy finds, in a written analysis, that the cost of such
100 compliance significantly outweighs the benefits.

101 (b) Not later than January 1, 2007, the Secretary of the Office of
102 Policy and Management, in consultation with the Commissioner of
103 Public Works, the Commissioner of Environmental Protection and the
104 Commissioner of Public Safety, shall adopt regulations, in accordance
105 with the provisions of chapter 54, to adopt building construction
106 standards that (1) are consistent with or exceed the silver building
107 rating of the Leadership in Energy and Environmental Design's rating
108 system for new commercial construction and major renovation
109 projects, as established by the United States Green Building Council,
110 including energy standards that exceed those set forth in the 2004
111 edition of the American Society of Heating, Ventilating and Air
112 Conditioning Engineers (ASHRAE) Standard 90.1 by no less than

113 twenty per cent, or an equivalent standard, including, but not limited
114 to, a two-globe rating in the Green Globes USA design program, and
115 thereafter update such regulations as the secretary deems necessary.

116 Sec. 505. Section 10-285a of the general statutes is amended by
117 adding subsection (i) as follows (*Effective October 1, 2007*):

118 (NEW) (i) The percentage determined pursuant to this section for a
119 school building project grant for a school building project pursuant to
120 section 16a-38k, as amended by this act, shall be increased by two
121 percentage points, not to exceed one hundred. Prior to any grant the
122 funds being awarded under this chapter for a project pursuant to
123 section 16a-38k, the town or regional school district shall certify to the
124 Department of Education that the school project will meet the
125 standards established pursuant to said section 16a-38k.

126 Sec. 506. Section 16a-48 of the general statutes is repealed and the
127 following is substituted in lieu thereof (*Effective October 1, 2007*):

128 (a) As used in this section:

129 (1) ["Department" means the Department of Public Utility Control]
130 "Office" means the Office of Policy and Management;

131 (2) "Fluorescent lamp ballast" or "ballast" means a device designed
132 to operate fluorescent lamps by providing a starting voltage and
133 current and limiting the current during normal operation, but does not
134 include such devices that have a dimming capability or are intended
135 for use in ambient temperatures of zero degrees Fahrenheit or less or
136 have a power factor of less than sixty-one hundredths for a single
137 F40T12 lamp;

138 (3) "F40T12 lamp" means a tubular fluorescent lamp that is a
139 nominal forty-watt lamp, with a forty-eight-inch tube length and one
140 and one-half inches in diameter;

141 (4) "F96T12 lamp" means a tubular fluorescent lamp that is a
142 nominal seventy-five-watt lamp with a ninety-six-inch tube length and

143 one and one-half inches in diameter;

144 (5) "Luminaire" means a complete lighting unit consisting of a
145 fluorescent lamp, or lamps, together with parts designed to distribute
146 the light, to position and protect such lamps, and to connect such
147 lamps to the power supply;

148 (6) "New product" means a product that is sold, offered for sale, or
149 installed for the first time and specifically includes floor models and
150 demonstration units;

151 (7) "Secretary" means the Secretary of the Office of Policy and
152 Management;

153 (8) "State Building Code" means the building code adopted
154 pursuant to section 29-252;

155 (9) "Torchiere lighting fixture" means a portable electric lighting
156 fixture with a reflector bowl giving light directed upward so as to give
157 indirect illumination;

158 (10) "Unit heater" means a self-contained, vented fan-type
159 commercial space heater that uses natural gas or propane that is
160 designed to be installed without ducts within the heated space. "Unit
161 heater" does not include a product regulated by federal standards
162 pursuant to 42 USC 6291, as amended from time to time, a product that
163 is a direct vent, forced flue heater with a sealed combustion burner, or
164 any oil fired heating system;

165 (11) "Transformer" means a device consisting of two or more coils of
166 insulated wire that transfers alternating current by electromagnetic
167 induction from one coil to another in order to change the original
168 voltage or current value;

169 (12) "Low-voltage dry-type transformer" means a transformer that:
170 (A) Has an input voltage of 600 volts or less; (B) is between 14 kilovolt-
171 amperes and 2,501 kilovolt-amperes in size; (C) is air-cooled; and (D)
172 does not use oil as a coolant. "Low-voltage dry-type transformer" does

173 not include such transformers excluded from the low-voltage dry-type
174 distribution transformer definition contained in the California Code of
175 Regulations, Title 20: Division 2, Chapter 4, Article 4: Appliance
176 Efficiency Regulations;

177 (13) "Pass-through cabinet" means a refrigerator or freezer with
178 hinged or sliding doors on both the front and rear of the refrigerator or
179 freezer;

180 (14) "Reach-in cabinet" means a refrigerator, freezer, or combination
181 thereof, with hinged or sliding doors or lids;

182 (15) "Roll-in" or "roll-through cabinet" means a refrigerator or
183 freezer with hinged or sliding doors that allows wheeled racks of
184 product to be rolled into or through the refrigerator or freezer;

185 (16) "Commercial refrigerators and freezers" means reach-in
186 cabinets, pass-through cabinets, roll-in cabinets and roll-through
187 cabinets that have less than eighty-five feet of capacity, ["Commercial
188 refrigerators and freezers" does not include walk-in models or
189 consumer products regulated under the federal National Appliance
190 Energy Conservation Act of 1987] which are designed for the
191 refrigerated or frozen storage of food and food products;

192 (17) "Traffic signal module" means a standard eight-inch or twelve-
193 inch round traffic signal indicator consisting of a light source, lens and
194 all parts necessary for operation and communication of movement
195 messages to drivers through red, amber and green colors;

196 (18) "Illuminated exit sign" means an internally illuminated sign that
197 is designed to be permanently fixed in place and used to identify an
198 exit by means of a light source that illuminates the sign or letters from
199 within where the background of the exit sign is not transparent;

200 (19) "Packaged air-conditioning equipment" means air-conditioning
201 equipment that is built as a package and shipped as a whole to end-
202 user sites;

203 (20) "Large packaged air-conditioning equipment" means air-cooled
204 packaged air-conditioning equipment having not less than 240,000
205 BTUs per hour of capacity;

206 (21) "Commercial clothes washer" means a soft mount front-loading
207 or soft mount top-loading clothes washer that is designed for use in
208 (A) applications where the occupants of more than one household will
209 be using it, such as in multifamily housing common areas and coin
210 laundries; or (B) other commercial applications, if the clothes container
211 compartment is no greater than 3.5 cubic feet for horizontal-axis
212 clothes washers, or no greater than 4.0 cubic feet for vertical-axis
213 clothes washers;

214 (22) "Energy efficiency ratio" means a measure of the relative
215 efficiency of a heating or cooling appliance that is equal to the unit's
216 output in BTUs per hour divided by its consumption of energy,
217 measured in watts.

218 (b) The provisions of this section apply to the testing, certification
219 and enforcement of efficiency standards for the following types of new
220 products sold, offered for sale or installed in the state: (1) Commercial
221 clothes washers; (2) commercial refrigerators and freezers; (3)
222 illuminated exit signs; (4) large packaged air-conditioning equipment;
223 (5) low voltage dry-type distribution transformers; (6) torchiere
224 lighting fixtures; (7) traffic signal modules; (8) unit heaters; and (9) any
225 other products as may be designated by the department in accordance
226 with subdivision (3) of subsection (d) of this section.

227 (c) The provisions of this section do not apply to (1) new products
228 manufactured in the state and sold outside the state, (2) new products
229 manufactured outside the state and sold at wholesale inside the state
230 for final retail sale and installation outside the state, (3) products
231 installed in mobile manufactured homes at the time of construction, or
232 (4) products designed expressly for installation and use in recreational
233 vehicles.

234 (d) (1) Not later than July 1, 2005, the [department] office, in

235 consultation with the [secretary] Department of Public Utility Control,
236 shall adopt regulations, in accordance with the provisions of chapter
237 54, to implement the provisions of this section and to establish
238 minimum energy efficiency standards for the types of new products
239 set forth in subsection (b) of this section. The regulations shall provide
240 for the following minimum energy efficiency standards: (A)
241 Commercial clothes washers shall meet the requirements shown in
242 Table P-3 of section 1605.3 of the California Code of Regulations, Title
243 20: Division 2, Chapter 4, Article 4; (B) commercial refrigerators and
244 freezers shall meet the August 1, 2004, requirements shown in Table A-
245 6 of said California regulation; (C) illuminated exit signs shall meet the
246 version 2.0 product specification of the "Energy Star Program
247 Requirements for Exit Signs" developed by the United States
248 Environmental Protection Agency; (D) large packaged air-conditioning
249 equipment having not more than 760,000 BTUs per hour of capacity
250 shall meet a minimum energy efficiency ratio of 10.0 for units using
251 both electric heat and air conditioning or units solely using electric air
252 conditioning, and 9.8 for units using both natural gas heat and electric
253 air conditioning; (E) large packaged air-conditioning equipment
254 having not less than 761,000 BTUs per hour of capacity shall meet a
255 minimum energy efficiency ratio of 9.7 for units using both electric
256 heat and air conditioning or units solely using electric air conditioning,
257 and 9.5 for units using both natural gas heat and electric air
258 conditioning; (F) low voltage dry-type distribution transformers shall
259 meet or exceed the energy efficiency values shown in Table 4-2 of the
260 National Electrical Manufacturers Association Standard TP-1-2002; (G)
261 torchiere lighting fixtures shall not consume more than 190 watts and
262 shall not be capable of operating with lamps that total more than 190
263 watts; (H) traffic signal modules shall meet the product specification of
264 the "Energy Star Program Requirements for Traffic Signals" developed
265 by the United States Environmental Protection Agency that took effect
266 in February, 2001, except where the department, in consultation with
267 the Commissioner of Transportation, determines that such
268 specification would compromise safe signal operation; (I) unit heaters
269 shall not have pilot lights and shall have either power venting or an

270 automatic flue damper.

271 (2) Such efficiency standards, where in conflict with the State
272 Building Code, shall take precedence over the standards contained in
273 the Building Code. Not later than July 1, 2007, and biennially
274 thereafter, the [department] office, in consultation with the [secretary]
275 Department of Public Utility Control, shall review and increase the
276 level of such efficiency standards by adopting regulations in
277 accordance with the provisions of chapter 54 upon a determination
278 that increased efficiency standards would serve to promote energy
279 conservation in the state and would be cost-effective for consumers
280 who purchase and use such new products, provided no such increased
281 efficiency standards shall become effective within one year following
282 the adoption of any amended regulations providing for such increased
283 efficiency standards.

284 (3) The [department] office, in consultation with the [secretary]
285 Department of Public Utility Control, shall adopt regulations, in
286 accordance with the provisions of chapter 54, to designate additional
287 products to be subject to the provisions of this section and to establish
288 efficiency standards for such products upon a determination that such
289 efficiency standards (A) would serve to promote energy conservation
290 in the state, (B) would be cost-effective for consumers who purchase
291 and use such new products, and (C) that multiple products are
292 available which meet such standards, provided no such efficiency
293 standards shall become effective within one year following their
294 adoption pursuant to this subdivision.

295 (e) On or after July 1, 2006, except for commercial clothes washers,
296 for which the date shall be July 1, 2007, commercial refrigerators and
297 freezers, for which the date shall be July 1, 2008, and large packaged
298 air-conditioning equipment, for which the date shall be July 1, 2009, no
299 new product of a type set forth in subsection (b) of this section or
300 designated by the [department] office may be sold, offered for sale, or
301 installed in the state unless the energy efficiency of the new product
302 meets or exceeds the efficiency standards set forth in such regulations

303 adopted pursuant to subsection (d) of this section.

304 (f) The [department] office, in consultation with the [secretary]
305 Department of Public Utility Control, shall adopt procedures for
306 testing the energy efficiency of the new products set forth in subsection
307 (b) of this section or designated by the department if such procedures
308 are not provided for in the State Building Code. The [department]
309 office shall use United States Department of Energy approved test
310 methods, or in the absence of such test methods, other appropriate
311 nationally recognized test methods. The manufacturers of such
312 products shall cause samples of such products to be tested in
313 accordance with the test procedures adopted pursuant to this
314 subsection or those specified in the State Building Code.

315 (g) Manufacturers of new products set forth in subsection (b) of this
316 section or designated by the [department] office shall certify to the
317 secretary that such products are in compliance with the provisions of
318 this section. The [department] office, in consultation with the
319 [secretary] Department of Public Utility Control, shall promulgate
320 regulations governing the certification of such products. The secretary
321 shall publish an annual list of such products.

322 (h) The Attorney General may institute proceedings to enforce the
323 provisions of this section. Any person who violates any provision of
324 this section shall be subject to a civil penalty of not more than two
325 hundred fifty dollars. Each violation of this section shall constitute a
326 separate offense, and each day that such violation continues shall
327 constitute a separate offense.

328 Sec. 507. Subsection (a) of section 16a-48 of the general statutes is
329 amended by adding subdivisions (23) to (42), inclusive, as follows
330 (*Effective October 1, 2007*):

331 (NEW) (23) "Electricity ratio" means the ratio of furnace electricity
332 use to total furnace energy use;

333 (NEW) (24) "Boiler" means a space heater that is a self-contained

334 appliance for supplying steam or hot water primarily intended for
335 space-heating. "Boiler" does not include hot water supply boilers;

336 (NEW) (25) "Central furnace" means a self-contained space heater
337 designed to supply heated air through ducts of more than ten inches in
338 length;

339 (NEW) (26) "Residential furnace or boiler" means a product that
340 utilizes only single-phase electric current, or single-phase electric
341 current or DC current in conjunction with natural gas, propane or
342 home heating oil, and which (A) is designed to be the principal heating
343 source for the living space of a residence; (B) is not contained within
344 the same cabinet with a central air conditioner with a rated cooling
345 capacity of not less than sixty-five thousand BTUs per hour; (C) is an
346 electric central furnace, electric boiler, forced-air central furnace,
347 gravity central furnace, or low pressure steam or hot water boiler; and
348 (D) has a heat input rate of less than three hundred thousand BTUs per
349 hour for electric boilers and low pressure steam or hot water boilers
350 and less than two hundred twenty-five thousand BTUs per hour for
351 forced-air central furnaces, gravity central furnaces and electric central
352 furnaces;

353 (NEW) (27) "Furnace air handler" means the section of the furnace
354 that includes the fan, blower and housing, generally upstream of the
355 burners and heat exchanger. The furnace air handler may include a
356 filter and a cooling coil;

357 (NEW) (28) "High-intensity discharge lamp" means a lamp in which
358 light is produced by the passage of an electric current through a vapor
359 or gas, and in which the light-producing arc is stabilized by bulb wall
360 temperature and the arc tube has a bulb wall loading in excess of three
361 watts per square centimeter;

362 (NEW) (29) "Medium voltage dry-type distribution transformer"
363 means a transformer that (A) has an input voltage of not less than six
364 hundred volts but not more than thirty-four thousand five hundred
365 volts; (B) is air-cooled; (C) does not use oil as a coolant; and (D) is rated

366 for operation at a frequency of sixty Hertz. "Medium voltage dry-type
367 distribution transformer" does not mean devices with multiple voltage
368 taps, with the highest voltage tap not less than twenty per cent more
369 than the lowest voltage tap, or devices that are designed to be used in a
370 special purpose application and are unlikely to be used in general
371 purpose applications including drive transformers, rectifier
372 transformers, auto transformers, uninterruptible power system
373 transformers, impedance transformers, regulating transformers, sealed
374 and nonventilating transformers, machine tool transformers, welding
375 transformers, grounding transformers or testing transformers;

376 (NEW) (30) "Metal halide lamp" means a high intensity discharge
377 lamp in which the major portion of the light is produced by radiation
378 of metal halides and their products of dissociation, possibly in
379 combination with metallic vapors;

380 (NEW) (31) "Metal halide lamp fixture" means a light fixture
381 designed to be operated with a metal halide lamp and a ballast for a
382 metal halide lamp;

383 (NEW) (32) "Probe start metal halide ballast" means a ballast used to
384 operate metal halide lamps that does not contain an ignitor and that
385 instead starts lamps by using a third starting electrode probe in the arc
386 tube;

387 (NEW) (33) "Single voltage external AC to DC power supply" means
388 a device that (A) is designed to convert line voltage AC input into
389 lower voltage DC output; (B) is able to convert to only one DC output
390 voltage at a time; (C) is sold with, or intended to be used with, a
391 separate end-use product that constitutes the primary power load; (D)
392 is contained within a separate physical enclosure from the end-use
393 product; (E) is connected to the end-use product in a removable or
394 hard-wired male and female electrical connection, cable, cord or other
395 wiring; (F) does not have batteries or battery packs, including those
396 that are removable or that physically attach directly to the power
397 supply unit; (G) does not have a battery chemistry or type selector

398 switch and indicator light, or does not have a battery chemistry or type
399 selector switch and a state of charge meter; and (H) has a nameplate
400 output power less than or equal to two hundred fifty watts;

401 (NEW) (34) "State regulated incandescent reflector lamp" means a
402 lamp that is not colored or designed for rough or vibration service
403 applications, that has an inner reflective coating on the outer bulb to
404 direct the light, and E26 medium screw base, and a rated voltage or
405 voltage range that lies at least partially within one hundred fifteen to
406 one hundred thirty volts, and that falls into one of the following
407 categories: (A) A bulged reflector or elliptical reflector or a blown PAR
408 bulb shape and that has a diameter that equals or exceeds two and
409 one-quarter inches, or (B) a reflector, parabolic aluminized reflector,
410 bulged reflector or similar bulb shape and that has a diameter of two
411 and one-quarter to two and three-quarters inches. "State regulated
412 incandescent reflector lamp" does not include ER30, BR30, BR40 and
413 ER40 lamps of not more than fifty watts, BR30, BR40 and ER40 lamps
414 of sixty-five watts and R20 lamps of not more than forty-five watts;

415 (NEW) (35) "Bottle-type water dispenser" means a water dispenser
416 that uses a bottle or reservoir as the source of potable water;

417 (NEW) (36) "Commercial hot food holding cabinet" means a heated,
418 fully-enclosed compartment with one or more solid or partial glass
419 doors that is designed to maintain the temperature of hot food that has
420 been cooked in a separate appliance. "Commercial hot food holding
421 cabinet" does not include heated glass merchandizing cabinets, drawer
422 warmers or cook-and-hold appliances;

423 (NEW) (37) "Pool heater" means an appliance designed for heating
424 nonpotable water contained at atmospheric pressure for swimming
425 pools, spas, hot tubs and similar applications, including natural gas,
426 heat pump, oil and electric resistance pool heaters;

427 (NEW) (38) "Portable electric spa" means a factory-built electric spa
428 or hot tub, supplied with equipment for heating and circulating water;

429 (NEW) (39) "Residential pool pump" means a pump used to
430 circulate and filter pool water in order to maintain clarity and
431 sanitation;

432 (NEW) (40) "Walk-in refrigerator" means a space refrigerated to
433 temperatures at or above thirty-two degrees Fahrenheit that can be
434 walked into and is designed for the refrigerated storage of food and
435 food products;

436 (NEW) (41) "Walk-in freezer" means a space refrigerated to
437 temperatures below thirty-two degrees Fahrenheit that can be walked
438 into and is designed for the frozen storage of food and food products;

439 (NEW) (42) "Central air conditioner" means a central air
440 conditioning model that consists of one or more factory-made
441 assemblies, which normally include an evaporator or cooling coil,
442 compressor and condenser. Central air conditioning models may
443 provide the function of air cooling, air cleaning, dehumidifying or
444 humidifying.

445 Sec. 508. Subsection (b) of section 16a-48 of the general statutes is
446 repealed and the following is substituted in lieu thereof (*Effective*
447 *October 1, 2007*):

448 (b) The provisions of this section apply to the testing, certification
449 and enforcement of efficiency standards for the following types of new
450 products sold, offered for sale or installed in the state: (1) Commercial
451 clothes washers; (2) commercial refrigerators and freezers; (3)
452 illuminated exit signs; (4) large packaged air-conditioning equipment;
453 (5) low voltage dry-type distribution transformers; (6) torchiere
454 lighting fixtures; (7) traffic signal modules; (8) unit heaters; (9)
455 residential furnaces and boilers; (10) medium voltage dry-type
456 transformers; (11) metal halide lamp fixtures; (12) single voltage
457 external AC to DC power supplies; (13) state regulated incandescent
458 reflector lamps; (14) bottle-type water dispensers; (15) commercial hot
459 food holding cabinets; (16) portable electric spas; (17) walk-in
460 refrigerators and walk-in freezers; (18) pool heaters; (19) central air

461 conditioners; and [(9)] (20) any other products as may be designated by
462 the department in accordance with subdivision (3) of subsection (d) of
463 this section.

464 Sec. 509. Subdivision (1) of subsection (d) of section 16a-48 of the
465 general statutes is repealed and the following is substituted in lieu
466 thereof (*Effective October 1, 2007*):

467 (d) (1) [Not later than July 1, 2005, the] The department, in
468 consultation with the secretary, shall adopt regulations, in accordance
469 with the provisions of chapter 54, to implement the provisions of this
470 section and to establish minimum energy efficiency standards for the
471 types of new products set forth in subsection (b) of this section. The
472 regulations shall provide for the following minimum energy efficiency
473 standards:

474 (A) Commercial clothes washers shall meet the requirements shown
475 in Table P-3 of section 1605.3 of the California Code of Regulations,
476 Title 20: Division 2, Chapter 4, Article 4;

477 (B) [commercial] Commercial refrigerators and freezers shall meet
478 the August 1, 2004, requirements shown in Table A-6 of [said
479 California regulation] the California Code of Regulations, Title 20:
480 Division 2, Chapter 4, Article 4;

481 (C) [illuminated] Illuminated exit signs shall meet the version 2.0
482 product specification of the "Energy Star Program Requirements for
483 Exit Signs" developed by the United States Environmental Protection
484 Agency;

485 (D) [large] Large packaged air-conditioning equipment having not
486 more than seven hundred sixty thousand BTUs per hour of capacity
487 shall meet a minimum energy efficiency ratio of 10.0 for units using
488 both electric heat and air conditioning or units solely using electric air
489 conditioning, and 9.8 for units using both natural gas heat and electric
490 air conditioning;

491 (E) [~~large~~] Large packaged air-conditioning equipment having not
492 less than seven hundred sixty-one thousand BTUs per hour of capacity
493 shall meet a minimum energy efficiency ratio of 9.7 for units using
494 both electric heat and air conditioning or units solely using electric air
495 conditioning, and 9.5 for units using both natural gas heat and electric
496 air conditioning;

497 (F) [~~low~~] Low voltage dry-type distribution transformers shall meet
498 or exceed the energy efficiency values shown in Table 4-2 of the
499 National Electrical Manufacturers Association Standard TP-1-2002;

500 (G) [~~torchiere~~] Torchiere lighting fixtures shall not consume more
501 than 190 watts and shall not be capable of operating with lamps that
502 total more than 190 watts;

503 (H) [~~traffic~~] Traffic signal modules shall meet the product
504 specification of the "Energy Star Program Requirements for Traffic
505 Signals" developed by the United States Environmental Protection
506 Agency that took effect in February, 2001, except where the
507 department, in consultation with the Commissioner of Transportation,
508 determines that such specification would compromise safe signal
509 operation;

510 (I) [~~unit~~] Unit heaters shall not have pilot lights and shall have either
511 power venting or an automatic flue damper;

512 (J) On or after January 1, 2009, residential furnaces and boilers
513 purchased by the state shall meet or exceed the following annual fuel
514 utilization efficiency: (i) For gas and propane furnaces, ninety per cent
515 annual fuel utilization efficiency, (ii) for oil furnaces, eighty-three per
516 cent annual fuel utilization efficiency, (iii) for gas and propane hot
517 water boilers, eighty-four per cent annual fuel utilization efficiency,
518 (iv) for oil-fired hot water boilers, eighty-four per cent annual fuel
519 utilization efficiency, (v) for gas and propane steam boilers, eighty-two
520 per cent annual fuel utilization efficiency, (vi) for oil-fired steam
521 boilers, eighty-two per cent annual fuel utilization efficiency, and (vii)
522 for furnaces with furnace air handlers, an electricity ratio of not more

523 than 2.0, except air handlers for oil furnaces with a capacity of less than
524 ninety-four thousand BTUs per hour shall have an electricity ratio of
525 2.3 or less;

526 (K) On or after January 1, 2009, medium voltage dry-type
527 distribution transformers shall meet minimum efficiency levels three-
528 tenths of a percentage point higher than the Class I efficiency levels for
529 medium voltage distribution transformers specified in Table 4-2 of the
530 "Guide for Determining Energy Efficiency for Distribution
531 Transformers" published by the National Electrical Manufacturers
532 Association in 2002;

533 (L) On or after January 1, 2010, metal halide lamp fixtures designed
534 to be operated with lamps rated greater than or equal to one hundred
535 fifty watts but less than or equal to five hundred watts shall not
536 contain a probe-start metal halide lamp ballast;

537 (M) Single-voltage external AC to DC power supplies manufactured
538 on or after January 1, 2008, shall meet the energy efficiency standards
539 of table U-1 of section 1605.3 of the January 2006 California Code of
540 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
541 Efficiency Regulations. This standard applies to single voltage AC to
542 DC power supplies that are sold individually and to those that are sold
543 as a component of or in conjunction with another product. This
544 standard shall not apply to single voltage external AC to DC power
545 supplies sold with products subject to certification by the United States
546 Food and Drug Administration. A single-voltage external AC to DC
547 power supply that is made available by a manufacturer directly to a
548 consumer or to a service or repair facility after and separate from the
549 original sale of the product requiring the power supply as a service
550 part or spare part shall not be required to meet the standards in said
551 table U-1 until five years after the effective dates indicated in the table;

552 (N) On or after January 1, 2009, state regulated incandescent
553 reflector lamps shall be manufactured to meet the minimum average
554 lamp efficacy requirements for federally-regulated incandescent

555 reflector lamps contained in 42 USC 6295 (i)(1)(A). Each lamp shall
556 indicate the date of manufacture;

557 (O) On or after January 1, 2009, bottle-type water dispensers,
558 commercial hot food holding cabinets, portable electric spas, walk-in
559 refrigerators and walk-in freezers shall meet the efficiency
560 requirements of section 1605.3 of the January 2006 California Code of
561 Regulations, Title 20, Division 2, Chapter 4, Article 4: Appliance
562 Efficiency Regulations. On or after January 1, 2010, residential pool
563 pumps shall meet said efficiency requirements;

564 (P) On or after January 1, 2009, pool heaters shall meet the efficiency
565 requirements of sections 1605.1 and 1605.3 of the January 2006
566 California Code of Regulations, Title 20, Division 2, Chapter 4, Article
567 4: Appliance Efficiency Regulations.

568 Sec. 510. Subsection (g) of section 16a-48 of the general statutes is
569 repealed and the following is substituted in lieu thereof (*Effective*
570 *October 1, 2007*):

571 (g) Manufacturers of new products set forth in subsection (b) of this
572 section or designated by the department shall certify to the secretary
573 that such products are in compliance with the provisions of this
574 section, except that certification is not required for single voltage
575 external AC to DC power supplies and walk-in refrigerators and walk-
576 in freezers. All single voltage external AC to DC power supplies shall
577 be labeled as described in the January 2006 California Code of
578 Regulations, Title 20, Section 1607 (9). The department, in consultation
579 with the secretary, shall promulgate regulations governing the
580 certification of such products. The secretary shall publish an annual list
581 of such products.

582 Sec. 511. Section 4a-67c of the general statutes is repealed and the
583 following is substituted in lieu thereof (*Effective October 1, 2007*):

584 The Department of Administrative Services and each other
585 budgeted agency, as defined in section 4-69, exercising procurement

586 authority shall procure equipment and appliances for state use which
587 meet or exceed the federal energy conservation standards set forth in
588 the Energy Policy and Conservation Act, 42 USC 6295, any federal
589 regulations adopted thereunder, [and] any applicable energy
590 performance standards established in accordance with subsection (j) of
591 section 16a-38 and meet or exceed the federal Energy Star standards.
592 Purchases of equipment and appliances for which energy performance
593 standards have been established pursuant to subsection (j) of section
594 16a-38 shall be (1) made from among those specific models of
595 equipment and appliances which meet such standards, and (2) based,
596 when possible, on competitive bids. Such bids shall be evaluated on
597 the basis of the life-cycle cost standards, if any, established pursuant to
598 subsection (b) of section 16a-38.

599 Sec. 512. (NEW) (*Effective January 1, 2008*) Any municipality may, by
600 vote of its legislative body or, in a municipality where the legislative
601 body is a town meeting, by vote of the board of selectmen, provide a
602 property tax exemption to any owner of a motor vehicle exempt from
603 sales and use taxes under subdivision (110) or (115) of section 12-412 of
604 the general statutes, as amended by this act.

605 Sec. 513. Subdivision (110) of section 12-412 of the general statutes is
606 repealed and the following is substituted in lieu thereof (*Effective*
607 *January 1, 2008*):

608 (110) On and after July 1, 2000, and prior to July 1, [2002] 2010, the
609 sale of any passenger car that has a United States Environmental
610 Protection Agency estimated city or highway gasoline mileage rating
611 of at least [fifty] forty miles per gallon.

612 Sec. 514. Section 16-32f of the general statutes is repealed and the
613 following is substituted in lieu thereof (*Effective July 1, 2007*):

614 (a) On or before October first of each even-numbered year, a gas
615 company, as defined in section 16-1, as amended by this act, shall
616 furnish a report to the Department of Public Utility Control containing
617 a five-year forecast of loads and resources. The report shall describe

618 the facilities and supply sources that, in the judgment of such gas
619 company, will be required to meet gas demands during the forecast
620 period. The report shall be made available to the public and shall be
621 furnished to the chief executive officer of each municipality in the
622 service area of such gas company, the regional planning agency which
623 encompasses each such municipality, the Attorney General, the
624 president pro tempore of the Senate, the speaker of the House of
625 Representatives, the joint standing committee of the General Assembly
626 having cognizance of matters relating to public utilities, any other
627 member of the General Assembly making a request to the department
628 for the report and such other state and municipal entities as the
629 department may designate by regulation. The report shall include: (1)
630 A tabulation of estimated peak loads and resources for each year; (2)
631 data on gas use and peak loads for the five preceding calendar years;
632 (3) a list of present and projected gas supply sources; (4) specific
633 measures to control load growth and promote conservation; and (5)
634 such other information as the department may require by regulation. A
635 full description of the methodology used to arrive at the forecast of
636 loads and resources shall also be furnished to the department. The
637 department shall hold a public hearing on such reports upon the
638 request of any person. On or before August first of each odd-
639 numbered year, the department may request a gas company to furnish
640 to the department an updated report. A gas company shall furnish any
641 such updated report not later than sixty days following the request of
642 the department.

643 (b) Not later than October 1, 2005, and annually thereafter, a gas
644 company, as defined in section 16-1, as amended by this act, shall
645 submit to the Department of Public Utility Control a gas conservation
646 plan, in accordance with the provisions of this section, to implement
647 cost-effective energy conservation programs and market
648 transformation initiatives. All supply and conservation and load
649 management options shall be evaluated and selected within an
650 integrated supply and demand planning framework. The department
651 shall, in an uncontested proceeding during which the department may

652 hold a public hearing, approve, modify or reject the plan.

653 (c) (1) The Energy Conservation Management Board [, established
654 pursuant to section 16-245m,] shall advise and assist each such gas
655 company in the development and implementation of the plan
656 submitted under subsection (b) of this section. Each program
657 contained in the plan shall be reviewed by each such gas company and
658 shall be either accepted, modified or rejected by the Energy
659 Conservation Management Board before submission of the plan to the
660 department for approval. The Energy Conservation Management
661 Board shall, as part of its review, examine opportunities to offer joint
662 programs providing similar efficiency measures that save more than
663 one fuel resource or to otherwise coordinate programs targeted at
664 saving more than one fuel resource. Any costs for joint programs shall
665 be allocated equitably among the conservation programs.

666 (2) Programs included in the plan shall be screened through cost-
667 effectiveness testing that compares the value and payback period of
668 program benefits to program costs to ensure that the programs are
669 designed to obtain gas savings whose value is greater than the costs of
670 the program. Program cost-effectiveness shall be reviewed annually by
671 the department, or otherwise as is practicable. If the department
672 determines that a program fails the cost-effectiveness test as part of the
673 review process, the program shall either be modified to meet the test
674 or be terminated. On or before January 1, 2007, and annually
675 thereafter, the board shall provide a report, in accordance with the
676 provisions of section 11-4a, to the joint standing committees of the
677 General Assembly having cognizance of matters relating to energy and
678 the environment, that documents expenditures and funding for such
679 programs and evaluates the cost-effectiveness of such programs
680 conducted in the preceding year, including any increased cost-
681 effectiveness owing to offering programs that save more than one fuel
682 resource.

683 (3) Programs included in the plan may include, but are not limited
684 to: (A) Conservation and load management programs, including

685 programs that benefit low-income individuals; (B) research,
686 development and commercialization of products or processes that are
687 more energy-efficient than those generally available; (C) development
688 of markets for such products and processes; (D) support for energy use
689 assessment, engineering studies and services related to new
690 construction or major building renovations; (E) the design,
691 manufacture, commercialization and purchase of energy-efficient
692 appliances, air conditioning and heating devices; (F) program planning
693 and evaluation; (G) joint fuel conservation initiatives and programs
694 targeted at saving more than one fuel resource; and (H) public
695 education regarding conservation. Such support may be by direct
696 funding, manufacturers' rebates, sale price and loan subsidies, leases
697 and promotional and educational activities. The plan shall also provide
698 for expenditures by the Energy Conservation Management Board for
699 the retention of expert consultants and reasonable administrative costs,
700 provided such consultants shall not be employed by, or have any
701 contractual relationship with, a gas company. Such costs shall not
702 exceed five per cent of the total cost of the plan.

703 [(d) Nothing in this section shall be construed to require the
704 Department of Public Utility Control to establish a conservation charge
705 to support the programs in this section.]

706 Sec. 515. (NEW) (*Effective July 1, 2007*) (a) For purposes of this
707 section, "fuel oil" means the product designated by the American
708 Society for Testing and Materials as "Specifications for Heating Oil
709 D396-69", commonly known as number 2 heating oil, and grade
710 number 4, grade number 5 and grade number 6 fuel oil, provided such
711 heating and fuel oil are used for purposes other than the generation of
712 power to propel motor vehicles or for the generation of electricity.

713 (b) On or before November 1, 2007, the Fuel Oil Conservation Board
714 shall, after issuing a request for proposals, select an entity qualified to
715 administer and implement conservation and energy efficiency
716 programs for fuel oil customers, as described in this section, to act as
717 the program administrator for such programs and shall enter into a

718 contract not to exceed three years in duration for such purpose. At the
719 expiration of the contract, the board may renew the contract if it finds
720 that the administrator's performance has been satisfactory, or the
721 board may issue a new request for proposals.

722 (c) On or before March 1, 2008, and annually thereafter, the program
723 administrator shall submit to the Energy Conservation Management
724 Board a fuel oil conservation plan in accordance with the provisions of
725 this section for the balance of 2008. On or before October 1, 2008, and
726 annually thereafter, the program administrator shall submit to the Fuel
727 Oil Conservation Board a fuel oil conservation plan for the next
728 calendar year in accordance with the provisions of this section. The
729 board shall hold a public hearing on each such plan.

730 (d) (1) The Fuel Oil Conservation Board shall advise and assist the
731 program administrator in the development and implementation of a
732 comprehensive plan, which shall be approved by the board, that
733 implements cost-effective fuel oil energy conservation programs and
734 market transformation initiatives for residential, commercial and
735 industrial fuel oil customers. The board shall, as part of its review,
736 examine opportunities to offer joint programs providing similar
737 efficiency measures that save more than one fuel resource or to
738 otherwise coordinate programs targeted at saving more than one fuel
739 resource.

740 (2) Program cost-effectiveness shall be reviewed annually by the
741 Fuel Oil Conservation Board, or otherwise as practicable. Programs
742 included in the plan shall be evaluated as to cost-effectiveness by
743 comparing the value and payback period of the program benefits to
744 the program costs to ensure that the programs are designed to obtain
745 fuel oil savings, the value of which are greater than the costs of the
746 program. If the board determines that a program fails such cost-
747 effectiveness test, the board shall modify the program to meet the test
748 or terminate the program. On or before February 1, 2009, and annually
749 thereafter, the Fuel Oil Conservation Board shall provide a report to
750 the joint standing committees of the General Assembly having

751 cognizance of matters relating to energy and the environment, in
752 accordance with the provisions of section 11-4a of the general statutes,
753 that documents expenditures and fund balances and evaluates the
754 cost-effectiveness of such programs conducted in the preceding year,
755 including any increased cost-effectiveness due to offering programs
756 that save more than one fuel resource.

757 (3) Programs included in the plan may include, but not be limited
758 to: (A) Conservation programs, including programs that benefit low-
759 income persons; (B) research, development and commercialization of
760 products or processes that are more energy-efficient than those
761 generally available; (C) development of markets for such products and
762 processes; (D) support for energy use assessment, engineering studies
763 and services related to new construction or major building
764 renovations; (E) the design, manufacture, commercialization and
765 purchase of energy-efficient appliances and heating devices; (F)
766 program planning and evaluation; (G) joint fuel conservation
767 initiatives and programs targeted at saving more than one fuel
768 resource; and (H) public education regarding conservation. Such
769 support may be by direct funding, manufacturers' rebates, sale price
770 and loan subsidies, leases and promotional and educational activities.
771 The plan shall also provide for expenditures by the Fuel Oil
772 Conservation Board for the retention of expert consultants and
773 reasonable administrative costs, provided such consultants shall not be
774 employed by, or have any contractual relationship with, a fuel oil
775 company or the program administrator. Such costs shall not exceed
776 five per cent of the total cost of the plan.

777 (e) (1) There is established a Fuel Oil Conservation Board consisting
778 of fifteen members, including:

779 (A) One member representing dealers with retail oil heat sales in
780 excess of fifteen million gallons in the state, appointed by the president
781 pro tempore of the Senate;

782 (B) One member representing dealers with retail oil heat sales of less

783 than fifteen million gallons in the state, appointed by the speaker of the
784 House of Representatives;

785 (C) One member representing the heating, ventilation and air-
786 conditioning trades licensed under chapter 393 of the general statutes,
787 appointed by the majority leader of the Senate;

788 (D) One member representing wholesale heating distributors
789 operating within the state, appointed by the majority leader of the
790 House of Representatives;

791 (E) One member representing a state-wide environmental advocacy
792 group, appointed by the minority leader of the Senate;

793 (F) The chairperson of the Heating, Piping, Cooling and Sheet Metal
794 Work Board established under chapter 393 of the general statutes;

795 (G) One member from a state-wide retail oil dealer trade
796 association, appointed by the minority leader of the House of
797 Representatives;

798 (H) Six members of the public appointed by the Governor, of which
799 one shall be a representative of an environmental organization
800 knowledgeable in energy efficiency programs, one shall be a
801 representative of in-state generators, one shall be a representative of a
802 consumer advocacy organization, one shall be a representative of the
803 business community, one shall be a representative of low-income
804 ratepayers and one shall be a representative of state residents, in
805 general, and all of whom shall have expertise in energy issues, and

806 (I) All appointed members of the board shall serve in accordance
807 with section 4-1a of the general statutes.

808 (2) The Fuel Oil Conservation Board shall establish itself as a tax
809 exempt organization in accordance with the provisions of Section
810 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent
811 corresponding internal revenue code of the United States, as from time
812 to time amended. Not later than July 1, 2008, and biennially thereafter,

813 a third party selected by the Attorney General shall audit the activities
814 of the board. The results of such audit shall be submitted in a report to
815 the joint standing committees of the General Assembly having
816 cognizance of matters relating to energy and the environment, in
817 accordance with the provisions of section 11-4a of the general statutes.

818 (3) The Fuel Oil Conservation Board shall establish a fuel oil
819 conservation account. The account shall be a separate, nonlapsing
820 accounting within the General Fund. There shall be deposited into said
821 account funds required by law to be deposited in said account.

822 (4) The Fuel Oil Conservation Board shall authorize specific
823 amounts from the fuel oil conservation account established pursuant to
824 subdivision (3) of this subsection to the program administrator
825 selected to implement an approved plan under this section. Such
826 amounts shall be in the form of grants, which the board shall award
827 twice a year. Any moneys left in the account at the end of each fiscal
828 year shall be transferred outright to the General Fund.

829 Sec. 516. Section 12-412 of the general statutes is amended by adding
830 subdivisions (117) and (118) as follows (*Effective July 1, 2007, and*
831 *applicable to sales occurring on or after July 1, 2007*):

832 (NEW) (117) Sales of solar energy electricity generating systems and
833 passive or active solar water or space heating systems and geo-thermal
834 resource systems, including equipment related to such systems, and
835 sales of services relating to the installation of such systems.

836 (NEW) (118) Sales of ice storage systems used for cooling, including
837 equipment related to such systems, and sales of services relating to the
838 installation of such systems by a utility ratepayer who is billed by such
839 utility on a time-of-service metering basis.

840 Sec. 517. Section 12-412k of the general statutes is repealed and the
841 following is substituted in lieu thereof (*Effective July 1, 2007*):

842 (a) For purposes of this section, "residential weatherization

843 products" means programmable thermostats, window film, caulking,
844 window and door weather strips, insulation, water heater blankets,
845 water heaters, natural gas and propane furnaces and boilers that meet
846 the federal Energy Star standard, windows and doors that meet the
847 federal Energy Star standard, oil furnaces and boilers that are not less
848 than [eighty-five] eighty-four per cent efficient and [ground-based]
849 ground-source heat pumps that meet the minimum federal energy
850 efficiency rating.

851 (b) Notwithstanding the provisions of the general statutes, [from
852 November 25, 2005, to April 1, 2006, and from June 1, 2006, to June 30,
853 2007,] the provisions of this chapter shall not apply to sales of any
854 residential weatherization products or compact fluorescent light bulbs.

855 Sec. 518. (NEW) (*Effective from passage*) Notwithstanding the
856 provisions of the general statutes, from the effective date of this section
857 to June 30, 2008, the provisions of chapter 219 of the general statutes
858 shall not apply to sales of any household appliance that meets the
859 federal Energy Star standard.

860 Sec. 519. (NEW) (*Effective July 1, 2007*) (a) For the purposes described
861 in subsection (b) of this section, the State Bond Commission shall have
862 the power, from time to time, to authorize the issuance of bonds of the
863 state in one or more series and in principal amounts not exceeding in
864 the aggregate thirty million dollars.

865 (b) The proceeds of the sale of said bonds, to the extent of the
866 amount stated in subsection (a) of this section, shall be used by the
867 Department of Public Works for the purpose of funding the net project
868 costs, or the balance of any projects after applying any public or
869 private financial incentives available, for any energy services project
870 that results in increased efficiency measures in state buildings.

871 (c) All provisions of section 3-20 of the general statutes, or the
872 exercise of any right or power granted thereby, which are not
873 inconsistent with the provisions of this section are hereby adopted and
874 shall apply to all bonds authorized by the State Bond Commission

875 pursuant to this section, and temporary notes in anticipation of the
876 money to be derived from the sale of any such bonds so authorized
877 may be issued in accordance with said section 3-20 and from time to
878 time renewed. Such bonds shall mature at such time or times not
879 exceeding twenty years from their respective dates as may be provided
880 in or pursuant to the resolution or resolutions of the State Bond
881 Commission authorizing such bonds. None of said bonds shall be
882 authorized except upon a finding by the State Bond Commission that
883 there has been filed with it a request for such authorization which is
884 signed by or on behalf of the Secretary of the Office of Policy and
885 Management and states such terms and conditions as said commission,
886 in its discretion, may require. Said bonds issued pursuant to this
887 section shall be general obligations of the state and the full faith and
888 credit of the state of Connecticut are pledged for the payment of the
889 principal of and interest on said bonds as the same become due, and
890 accordingly and as part of the contract of the state with the holders of
891 said bonds, appropriation of all amounts necessary for punctual
892 payment of such principal and interest is hereby made, and the State
893 Treasurer shall pay such principal and interest as the same become
894 due.

895 Sec. 520. Section 10a-180 of the general statutes is amended by
896 adding subsection (w) as follows (*Effective October 1, 2007*):

897 (NEW) (w) To make grants or provide other forms of financial
898 assistance to any institution of higher education, to any health care
899 institution, to any nursing home, to any child care or child
900 development facility and to any qualified nonprofit organization in
901 such amounts, for energy efficient construction or renovation projects
902 or renewable energy construction or renovation projects subject to
903 such eligibility and other requirements the board establishes pursuant
904 to written procedures adopted by the board of directors pursuant to
905 subsection (h) of section 10a-179.

906 Sec. 521. Section 5 of public act 05-2 of the October 25 special session
907 is repealed and the following is substituted in lieu thereof (*Effective*

908 *from passage*):

909 Notwithstanding the provisions of section 16a-40b of the general
910 statutes, as amended by section 5 of public act 05-191, for the fiscal
911 year ending June 30, [2006] 2008, the range of rates of interest payable
912 on all loans pursuant to subsection (b) of said section 16a-40b for
913 purchases set forth in subsection (a) of said section 16a-40b, except for
914 goods or services relating to [aluminum or vinyl siding,] replacement
915 central air conditioning, [replacement roofs,] heat pumps or solar
916 systems and passive solar additions, shall be not less than zero per cent
917 for any applicant in the lowest income class and not more than three
918 per cent for any applicant for whom the adjusted gross income of the
919 household member or members who contribute to the support of the
920 household was at least one hundred fifteen per cent of the median area
921 income by household size.

922 Sec. 522. Subsection (b) of section 32-317 of the general statutes is
923 repealed and the following is substituted in lieu thereof (*Effective from*
924 *passage*):

925 (b) Except as provided under subsection (c) of this section, any such
926 loan or deferred loan shall be available only for a residential structure
927 containing not more than four dwelling units, shall be not less than
928 four hundred dollars and not more than [fifteen] twenty-five thousand
929 dollars per structure and shall be made only to an applicant who
930 submits evidence, satisfactory to the commissioner, that the adjusted
931 gross income of the household member or members who contribute to
932 the support of his household was not in excess of one hundred fifty per
933 cent of the median area income by household size. Repayment of all
934 loans or deferred loans made under this subsection shall be subject to a
935 rate of interest to be determined in accordance with subsection (t) of
936 section 3-20 and such terms and conditions as the commissioner may
937 establish. The State Bond Commission shall establish a range of rates of
938 interest payable on all loans or deferred loans under this subsection
939 and shall apply the range to applicants in accordance with a formula
940 which reflects their income. Such range shall be not less than zero per

941 cent for any applicant in the lowest income class and not more than
942 one per cent above the rate of interest borne by the general obligation
943 bonds of the state last issued prior to the most recent date such range
944 was established for any applicant for whom the adjusted gross income
945 of the household member or members who contribute to the support
946 of his household was at least one hundred fifteen per cent of the
947 median area income by household size.

948 Sec. 523. Subsection (a) of section 16-245e of the general statutes is
949 amended by adding subdivisions (14) to (18), inclusive, as follows
950 (*Effective from passage*):

951 (NEW) (14) "State rate reduction bonds" means the rate reduction
952 bonds issued on June 23, 2004, by the state to sustain funding of
953 conservation and load management and renewable energy investment
954 programs by substituting for disbursements to the General Fund from
955 the Energy Conservation and Load Management Fund, established by
956 section 16-245m, and from the Renewable Energy Investment Fund,
957 established by section 16-245n, as amended by this act. The state rate
958 reduction bonds for the purposes of section 4-30a shall be deemed to
959 be outstanding indebtedness of the state;

960 (NEW) (15) "Operating expenses" in connection with the state rate
961 reduction bonds, means (A) all expenses, costs and liabilities of the
962 state or the trustee incurred in connection with the administration or
963 payment of the state rate reduction bonds or in discharge of its
964 obligations and duties under the state rate reduction bonds or bond
965 documents, expenses and other costs and expenses arising in
966 connection with the state rate reduction bonds or pursuant to the
967 financing order providing for the issuance of such bonds including any
968 arbitrage rebate and penalties payable under the code in connection
969 with such bonds, and (B) all fees and expenses payable or disburseable
970 to the servicers or others under the bond documents;

971 (NEW) (16) "Bond documents" means, in connection with the state
972 rate reduction bonds, the following documents: The servicing

973 agreements, the tax compliance agreement and certificate, and the
974 continuing disclosure agreement entered into in connection with the
975 state rate reduction bonds and the indenture;

976 (NEW) (17) "Indenture" means, in connection with the state rate
977 reduction bonds, the RRB Indenture, dated as of June 23, 2004, by and
978 between the state and the trustee, as amended from time to time; and

979 (NEW) (18) "Trustee" means in connection with the state rate
980 reduction bonds the trustee appointed under the indenture.

981 Sec. 524. Section 16-245e of the general statutes is amended by
982 adding subsection (l) as follows (*Effective from passage*):

983 (NEW) (l) The sum of ninety-five million dollars is appropriated to
984 the Treasurer, from the General Fund, for the fiscal year ending June
985 30, 2007, for the purpose of (1) defeasing the state rate reduction bonds
986 maturing after December 30, 2007, by irrevocably depositing with the
987 bond trustee in trust such appropriation to be used for the scheduled
988 payments of principal and interest on the said state rate reduction
989 bonds and paying operating expenses, (2) if the Treasurer determines
990 it to be in the state's best interest, purchasing state rate reduction
991 bonds maturing after December 30, 2007, in the open market on such
992 terms and conditions as the Treasurer determines to be in the best
993 interest of the state for purposes of satisfying such bonds, or (3)
994 defeasing or satisfying the state rate reduction bonds maturing after
995 December 30, 2007, by a combination of the methods described in
996 subdivisions (1) and (2) of this subsection. Such appropriation is for
997 the purpose of paying debt service on bonds or other evidences of
998 indebtedness and related costs and expenses provided for in the
999 indenture. After the defeasance or satisfaction of all outstanding state
1000 rate reduction bonds, the trustee shall deliver to the Treasurer or apply
1001 in accordance with the instructions of the Treasurer all moneys held by
1002 it not necessary to defease or satisfy such bonds or allocated to pay
1003 operating expenses. Such funds shall be first applied to satisfy any
1004 unpaid operating expenses. After payment of the operating expenses,

seventy-five per cent of any remaining amounts shall be paid to the Energy Conservation and Load Management Fund, established pursuant to section 16-245m, and twenty-five per cent of such remaining amount shall be paid to the Renewable Energy Investment Fund, established pursuant to section 16-245n, as amended by this act. The Treasurer and the finance authority have the authority to take any necessary and appropriate actions to implement the defeasance or satisfaction of the state rate reduction bonds and the payment of all operating expenses so that the amount of state rate reduction charges which before defeasance secured the state rate reduction bonds can be applied to the Energy Conservation and Load Management Fund and the Renewable Energy Investment Fund.

Sec. 525. (NEW) (*Effective from passage*) On and after January 1, 2008, the Department of Public Utility Control shall order and direct that any intermediate or base load electric generating unit owned by an electric distribution company or covered by a bilateral contract with an electric distribution company that is fueled by either oil or natural gas, with a rating of not less than sixty-five megawatts, to have the actual ability to operate on demand for a forty-eight-hour period using either oil or natural gas.

Sec. 526. (*Effective from passage*) Not later than September 1, 2007, the Department of Public Utility Control shall conduct a contested case proceeding, in accordance with the provisions of chapter 54 of the general statutes, to analyze (1) the appropriate number of linemen that are necessary for an electric distribution company to maintain, repair and extend its electric distribution lines by region under normal circumstances and under extraordinary circumstances, including, but not limited to, storm conditions, (2) whether the consolidation or centralization of line repair facilities and personnel results in longer times to reach affected areas, (3) whether greater use of newer technologies may reduce the incidence of power outages, and (4) the most efficacious way to notify the public regarding an electric power outage and the status of an electric distribution company's efforts to restore electricity to a particular area of the state. Not later than

1039 January 1, 2008, the department shall submit a report with the results
1040 of such analysis to the joint standing committee of the General
1041 Assembly having cognizance of matters relating to energy in
1042 accordance with the provisions of section 11-4a of the general statutes.

1043 Sec. 527. Section 16-32g of the general statutes is repealed and the
1044 following is substituted in lieu thereof (*Effective October 1, 2007*):

1045 Not later than January 1, [1988] 2008, and annually thereafter, each
1046 electric or electric distribution company shall submit to the
1047 Department of Public Utility Control a plan for the maintenance of
1048 poles, wires, conduits or other fixtures, along public highways or
1049 streets for the transmission or distribution of electric current, owned,
1050 operated, managed or controlled by such company, in such format as
1051 the department shall prescribe. Such plan shall include a summary of
1052 appropriate staffing levels necessary for the maintenance of said
1053 fixtures and a program for the trimming of tree branches and limbs
1054 located in close proximity to overhead electric wires where such
1055 branches and limbs may cause damage to such electric wires. The
1056 department shall review each plan and may issue such orders as may
1057 be necessary to ensure compliance with this section. The department
1058 may require each electric or electric distribution company to submit an
1059 updated plan at such time and containing such information as the
1060 department may prescribe. The department shall adopt regulations, in
1061 accordance with the provisions of chapter 54, to carry out the
1062 provisions of this section.

1063 Sec. 528. Subsection (a) of section 16-19e of the general statutes is
1064 repealed and the following is substituted in lieu thereof (*Effective*
1065 *October 1, 2007*):

1066 (a) In the exercise of its powers under the provisions of this title, the
1067 Department of Public Utility Control shall examine and regulate the
1068 transfer of existing assets and franchises, the expansion of the plant
1069 and equipment of existing public service companies, the operations
1070 and internal workings of public service companies and the

1071 establishment of the level and structure of rates in accordance with the
1072 following principles: (1) That there is a clear public need for the service
1073 being proposed or provided; (2) that the public service company shall
1074 be fully competent to provide efficient and adequate service to the
1075 public in that such company is technically, financially and
1076 managerially expert and efficient; (3) that the department and all
1077 public service companies shall perform all of their respective public
1078 responsibilities with economy, efficiency and care for [the] public
1079 safety and energy security, and so as to promote economic
1080 development within the state with consideration for energy and water
1081 conservation, energy efficiency and the development and utilization of
1082 renewable sources of energy and for the prudent management of the
1083 natural environment; (4) that the level and structure of rates be
1084 sufficient, but no more than sufficient, to allow public service
1085 companies to cover their operating costs including, but not limited to,
1086 appropriate staffing levels, and capital costs, to attract needed capital
1087 and to maintain their financial integrity, and yet provide appropriate
1088 protection to the relevant public interests, both existing and
1089 foreseeable which shall include, but not be limited to, reasonable costs
1090 of security of assets, facilities and equipment that are incurred solely
1091 for the purpose of responding to security needs associated with the
1092 terrorist attacks of September 11, 2001, and the continuing war on
1093 terrorism; (5) that the level and structure of rates charged customers
1094 shall reflect prudent and efficient management of the franchise
1095 operation; and (6) that the rates, charges, conditions of service and
1096 categories of service of the companies not discriminate against
1097 customers which utilize renewable energy sources or cogeneration
1098 technology to meet a portion of their energy requirements.

1099 Sec. 529. (NEW) (*Effective from passage*) Not later than September 1,
1100 2007, the Connecticut Siting Council, in consultation with the
1101 Department of Emergency Management and Homeland Security's
1102 Coordinating Council, established pursuant to section 28-1b of the
1103 general statutes, and the Department of Public Utility Control shall
1104 initiate a contested case proceeding, in accordance with the provisions

1105 of chapter 54 of the general statutes, to investigate energy security with
1106 regard to the siting of electric generating facilities and transmission
1107 facilities, including consideration of planning, preparedness, response
1108 and recovery capabilities. The siting council may conduct such
1109 proceedings in an executive session with sensitive information
1110 submitted under a protective order.

1111 Sec. 530. (*Effective July 1, 2007*) Not later than September 1, 2007, the
1112 Department of Public Utility Control shall initiate a contested case
1113 proceeding, in accordance with the provisions of chapter 54 of the
1114 general statutes, in consultation with the Connecticut Siting Council, to
1115 assess ways in which the state can ensure and enhance the reliability of
1116 electric generating facilities located in the state during periods of peak
1117 electric demand. Said proceeding shall include, but not be limited to,
1118 an examination of (1) the current compliance status of electric
1119 generation facilities with existing on-site dual fuel storage and
1120 operational requirements, (2) the existing inventory of fuel storage and
1121 fuel delivery resources available to supply electric generating facilities
1122 located in the state, (3) the amount of fuel delivery and storage
1123 infrastructure that would be necessary to ensure the reliable operation
1124 of in-state generating facilities during periods of peak electric demand,
1125 (4) the value for and appropriate level of firm fuel delivery contracts,
1126 and (5) the types of incentives that can be offered to electric and gas
1127 market participants to enhance the reliability of electric service during
1128 periods of peak electric demand. In conducting the proceeding, the
1129 council and the department shall seek the input of interested persons
1130 and entities including, but not limited to, the Office of Consumer
1131 Counsel, the Attorney General, the state's electric distribution and gas
1132 companies, the state's electric generators, owners of natural gas
1133 pipeline facilities located in the state, and the regional independent
1134 system operator. Not later than January 1, 2008, the department shall
1135 submit a report containing their findings and recommendations to the
1136 joint standing committee of the General Assembly having cognizance
1137 of matters relating to energy in accordance with the provisions of
1138 section 11-4a of the general statutes.

1139 Sec. 531. (NEW) (*Effective October 1, 2007*) An electric supplier or an
1140 electric distribution company shall waive a demand charge for an
1141 operator of a fuel cell during (1) a loss of power due to problems at any
1142 distribution resource, or (2) a scheduled or unscheduled shutdown of
1143 the fuel cell if said shutdown occurs during off-peak hours. The charge
1144 waived shall not exceed the amount resulting from the problem or
1145 shutdown.

1146 Sec. 532. (NEW) (*Effective January 1, 2008*) (a) On or before June 1,
1147 2007, the Department of Public Utility Control shall conduct a
1148 contested case proceeding, in accordance with chapter 54 of the
1149 general statutes, to determine a municipal electric utility's pro rata
1150 share of the one-time awards made to customer-side distributed
1151 resources made pursuant to subsection (a) of section 16-243i of the
1152 general statutes, as amended by this act, in order for customers in its
1153 service area to qualify for such awards. Said pro rata share shall reflect
1154 an equitable method of cost allocation that reflects the benefits that
1155 accrue to electric distribution customers as a result of such customer-
1156 side distributed resources. The pro rata share that is not paid by the
1157 municipal electric utilities shall be recovered through federally
1158 mandated congestion charges in nonmunicipal electric utility service
1159 areas and shall be paid in equal semi-annual payments for a period of
1160 not more than five years.

1161 (b) In order to qualify for such an award, any customer shall submit
1162 an application, in a form prescribed by the Department of Public
1163 Utility Control, to said department. The application shall contain a
1164 certification by an independent licensed engineer that the customer-
1165 side distributed resource is intended to operate for purposes of
1166 reducing customer peak electric loads and that the project is financially
1167 viable.

1168 Sec. 533. Section 16-243r of the general statutes is repealed and the
1169 following is substituted in lieu thereof (*Effective July 1, 2007*):

1170 The provisions of sections 7-233y, 16-1, as amended by this act, 16-

1171 19ss, 16-32f, 16-50i, 16-50k, 16-50x, 16-243i to 16-243q, inclusive, 16-
1172 244c, as amended by this act, 16-244e, 16-245d, 16-245m, 16-245n, as
1173 amended by this act, 16-245z and 16-262i and section 21 of public act
1174 05-1 of the June special session*, apply to new customer-side
1175 distributed resources and grid-side distributed resources developed in
1176 this state that add electric capacity on and after January 1, 2006, and
1177 shall also apply to customer-side distributed resources and grid-side
1178 distributed resources developed in this state prior to January 1, 2007,
1179 that (1) have undergone upgrades that increase the resource's thermal
1180 efficiency operating level no fewer than ten percentage points, (2)
1181 operate at a thermal efficiency level of at least fifty per cent, and (3)
1182 add electric capacity in this state on or after January 1, 2007, provided
1183 such measure is in accordance with the provisions of said sections 7-
1184 233y, 16-1, as amended by this act, 16-19ss, as amended by this act, 16-
1185 32f, as amended by this act, 16-50i, 16-50k, as amended by this act, 16-
1186 50x, 16-243i to 16-243q, inclusive, as amended by this act, 16-244c, as
1187 amended by this act, 16-244e, as amended by this act, 16-245d, 16-
1188 245m, 16-245n, as amended by this act, 16-245z and 16-262i and section
1189 21 of public act 05-1 of the June special session*.

1190 Sec. 534. Subsection (a) of section 16-243i of the general statutes is
1191 repealed and the following is substituted in lieu thereof (*Effective from*
1192 *passage*):

1193 (a) The Department of Public Utility Control shall, not later than
1194 January 1, 2006, establish a program to grant awards to retail end use
1195 customers of electric distribution companies to fund the capital costs of
1196 obtaining projects of customer-side distributed resources, as defined in
1197 section 16-1, as amended by this act. Any project shall receive a one-
1198 time, nonrecurring award in an amount of not less than two hundred
1199 dollars and not more than five hundred dollars per kilowatt of
1200 capacity for such customer-side distributed resources, recoverable
1201 from federally mandated congestion charges, as defined in section 16-
1202 1, as amended by this act. No such award may be made unless the
1203 projected reduction in federally mandated congestion charges
1204 attributed to the project for such distributed resources is greater than

1205 the amount of the award. The amount of an award shall depend on the
1206 impact that the customer-side distributed resources project has on
1207 reducing federally mandated congestion charges, as defined in section
1208 16-1, as amended by this act. On and after January 1, 2008, the
1209 department shall only grant an award for capacity that exceeds a
1210 customer's peak demand during the thirty-six months prior to its
1211 application if it finds that an award for such additional capacity
1212 provides sufficient net benefits to other customers of the electric
1213 distribution company to justify making such additional award. In
1214 making its determination, the department shall consider the cost of the
1215 award and the projected reduction in the company's costs for energy,
1216 installed capacity, forward reserve capacity, locational forward reserve
1217 capacity and other factors the department deems relevant. Not later
1218 than October 1, 2005, the department shall conduct a contested case
1219 proceeding, in accordance with chapter 54, to establish additional
1220 standards for the amount of such awards and additional criteria and
1221 the process for making such awards.

1222 Sec. 535. (NEW) (*Effective from passage*) As used in sections 536 to
1223 550, inclusive, of this act:

1224 (1) "Energy improvement district distributed resources" means one
1225 or more of the following owned, leased, or financed by an Energy
1226 Improvement District Board: (A) Customer-side distributed resources,
1227 as defined in section 16-1 of the general statutes, as amended by this
1228 act; (B) grid-side distributed resources, as defined in said section 16-1;
1229 (C) combined heat and power systems, as defined in said section 16-1;
1230 and (D) Class III sources, as defined in said section 16-1;

1231 (2) "Project" means the acquisition, purchase, construction,
1232 reconstruction, improvement or extension of one or more of energy
1233 improvement district distributed resources.

1234 Sec. 536. (NEW) (*Effective from passage*) (a) Any municipality may, by
1235 vote of its legislative body, establish an energy improvement district
1236 within such municipality. The affairs of any such district shall be

1237 administered by an Energy Improvement District Board. The members
1238 of any such board shall be appointed by the chief elected official of the
1239 municipality and shall serve for such term as the legislative body may
1240 prescribe and until their successors are appointed and have qualified.
1241 Vacancies shall be filled by the chief elected official for the unexpired
1242 portion of the term. The members of each such board shall serve
1243 without compensation, except for necessary expenses.

1244 (b) After a vote by a municipality to establish an energy
1245 improvement district, the chief elected official of the municipality shall
1246 notify each property owner of record within said district by mail of
1247 said action. An owner may record on the land records in the
1248 municipality its decision to participate in the energy improvement
1249 district and the provisions of this section and sections 537 to 550,
1250 inclusive, of this act. Any owner of record, including any new owner of
1251 record, may rescind said decision at any time.

1252 Sec. 537. (NEW) (*Effective from passage*) (a) An Energy Improvement
1253 District Board shall fund energy improvement district distributed
1254 resources in its district and shall prepare a comprehensive plan, in
1255 consultation with the Connecticut Center for Advanced Technology,
1256 for the development and financing of such resources, except on state or
1257 federally owned properties, with a view to the increase and efficiency,
1258 reliability and the furtherance of commerce and industry in the energy
1259 improvement district. The board may lease or acquire office space and
1260 equip the same with suitable furniture and supplies for the
1261 performance of work of the board, and may employ such personnel as
1262 may be necessary for such performance. The board also shall have
1263 power to:

1264 (1) Sue and be sued;

1265 (2) Have a seal and alter the same;

1266 (3) Confer with any body or official having to do with electric power
1267 distribution facilities within and without the district, and hold public
1268 hearings as to such facilities;

1269 (4) Confer with electric distribution companies with reference to the
1270 development of electric distribution facilities in such district and the
1271 coordination of the same;

1272 (5) Determine the location, type, size and construction of energy
1273 improvement district distributed resources, subject to the approval of
1274 any department, commission or official of the United States, the state
1275 or the municipality where federal, state or municipal statute or
1276 regulation requires it;

1277 (6) Make surveys, maps and plans for, and estimates of the cost of,
1278 the development and operation of requisite energy improvement
1279 district distributed resources and for the coordination of such facilities
1280 with existing agencies, both public and private, with the view of
1281 increasing the efficiency of the electric distribution system in the
1282 district and in the furtherance of commerce and industry in the district;

1283 (7) Make contracts and leases, loans and execute all instruments
1284 necessary or convenient to carry out their duties under the provision of
1285 this section, including the lending of proceeds of bonds issued in
1286 accordance with subdivision (9) of this section, to owners, lessees or
1287 occupants of facilities in the energy improvement district;

1288 (8) Fix fees, rates, rentals or other charges for the purpose of all
1289 energy improvement district distributed resources owned by the
1290 Energy Improvements District Board and collect such fees, rates,
1291 rentals and other charges for such facilities owned by the board, which
1292 fees, rates, rentals or other charges shall be sufficient to comply with
1293 all covenants and agreements with the holders of any bonds issued
1294 pursuant to section 538 of this act;

1295 (9) Operate and maintain all energy improvement district
1296 distributed resources owned or leased by the board and use the
1297 revenues from such resources for the corporate purposes of the board
1298 in accordance with any covenants or agreements contained in the
1299 proceedings authorizing the issuance of bonds pursuant to section 538
1300 of this act;

1301 (10) Accept gifts, grants, loans or contributions from the United
1302 States, the state or any agency or instrumentality of either of them, or a
1303 person or corporation, by conveyance, bequest or otherwise, and
1304 expend the proceeds for any purpose of the board and, as necessary,
1305 contract with the United States, the state or any agency or
1306 instrumentality of either of them, to accept gifts, grants, loans or
1307 contributions on such terms and conditions as may be provided by the
1308 law authorizing the same;

1309 (11) Maintain staff to promote and develop the movement of
1310 commerce through the energy improvement district; and

1311 (12) Use the officers, employees, facilities and equipment of the
1312 municipality, with the consent of the municipality, and pay a proper
1313 portion of the compensation or cost.

1314 (b) Nothing in the provisions of sections 536 to 550, inclusive, of this
1315 act shall be construed to authorize an Energy Improvement District to:

1316 (1) Be an electric distribution company, as defined in section 16-1 of
1317 the general statutes, as amended by this act, or provide electric
1318 distribution or electric transmission services, as defined in said section
1319 16-1, or own or operate assets to provide such services;

1320 (2) Be a municipal electric utility, as defined in section 7-233 of the
1321 general statutes, or provide the services of a municipal electric utility;

1322 (3) Sell electricity to persons or entities in its municipality outside of
1323 the Energy Improvement District;

1324 (4) Undertake any authority or jurisdiction granted by the general
1325 statutes to the Connecticut Siting Council, the Department of Public
1326 Utility Control, or any other state agency, or to undertake any actions
1327 under the jurisdiction of any federal agency; or

1328 (5) Acquire property by eminent domain.

1329 Sec. 538. (NEW) (*Effective from passage*) (a) An Energy Improvement

1330 District Board may, from time to time, issue bonds subject to the
1331 approval of the legislative body in the municipality in which the
1332 energy improvement district is located, for the purpose of paying all or
1333 any part of the cost of acquiring, purchasing, constructing,
1334 reconstructing, improving or extending any energy improvement
1335 district distributed resources project and acquiring necessary land and
1336 equipment thereof, or for any other authorized purpose of the board.
1337 The board may issue such types of bonds as it may determine,
1338 including, but not limited to, bonds payable as to principal and
1339 interest: (1) From its revenues generally; (2) exclusively from the
1340 income and revenues of a particular project; or (3) exclusively from the
1341 income and revenues of certain designated projects, whether or not
1342 they are financed in whole or in part from the proceeds of such bonds.
1343 Any such bonds may be additionally secured by a pledge of any grant
1344 or contribution from a participating municipality, the state or any
1345 political subdivision, agency or instrumentality thereof, any federal
1346 agency or any private corporation, copartnership, association or
1347 individual, or a pledge of any income or revenues of the board, or a
1348 mortgage on any project or other property of the board, provided such
1349 pledge shall not create any liability on the entity making such grant or
1350 contribution beyond the amount of such grant or contribution.
1351 Whenever and for so long as any board has issued and has
1352 outstanding bonds, the board shall fix, charge and collect rates, rents,
1353 fees and other charges in accordance with section 540 of this act.
1354 Neither the members of the board nor any person executing the bonds
1355 shall be liable personally on the bonds by reason of the issuance
1356 thereof. The bonds and other obligations shall so state on the face, shall
1357 not be a debt of the state or any political subdivision thereof, except
1358 when the board or a participating municipality which, in accordance
1359 with section 547 of this act, has guaranteed payment of principal and
1360 of interest on the same, and no person other than the board or such a
1361 public body shall be liable thereon, nor shall such bonds or obligations
1362 be payable out of any funds or properties other than those of the board
1363 or such a participating municipality. Such bonds shall not constitute an
1364 indebtedness within the meaning of any statutory limitation on the

1365 indebtedness of any participating municipality. Bonds of the board are
1366 declared to be issued for an essential public and governmental
1367 purpose. In anticipation of the sale of such revenue bonds the board
1368 may issue negotiable bond anticipation notes and may renew the same
1369 from time to time, but the maximum maturity of any such note,
1370 including renewals thereof, shall not exceed five years from the date of
1371 issue of the original note. Such notes shall be paid from any revenues
1372 of the board available therefor and not otherwise pledged, or from the
1373 proceeds of sale of the revenue bonds of the Energy Improvement
1374 District Board in anticipation of which they were issued. The notes
1375 shall be issued in the same manner as the revenue bonds. Such notes
1376 and the resolution or resolutions authorizing the same may contain
1377 any provisions, conditions or limitations which a bond resolution of
1378 the board may contain.

1379 (b) An Energy Improvement District Board may issue bonds as
1380 serial bonds or as term bonds, or both. Bonds shall be authorized by
1381 resolution of the members of the authority and shall bear such date or
1382 dates, mature at such time or times, not exceeding twenty years from
1383 their respective dates, bear interest at such rate or rates, or have
1384 provisions for the manner of determining such rate or rates, payable at
1385 such time or times, be in such denominations, be in such form, either
1386 coupon or registered, carry such registration privileges, be executed in
1387 such manner, be payable in lawful money of the United States of
1388 America at such place or places, and be subject to such terms of
1389 redemption, as such resolution or resolutions may provide. The
1390 revenue bonds or notes may be sold at public or private sale for such
1391 price or prices as the Energy Improvement District Board shall
1392 determine. Pending preparation of the definitive bonds, the Energy
1393 Improvement District Board may issue interim receipts or certificates
1394 which shall be exchanged for such definitive bonds.

1395 (c) Any resolution or resolutions authorizing any revenue bonds or
1396 any issue of revenue bonds may contain provisions, which shall be
1397 part of the contract with the holders of the revenue bonds to be
1398 authorized, as to: (1) Pledging all or any part of the revenues of a

1399 project or any revenue-producing contract or contracts made by the
1400 Energy Improvement District Board with any individual, partnership,
1401 corporation or association or other body, public or private, to secure
1402 the payment of the revenue bonds or of any particular issue of revenue
1403 bonds, subject to such agreements with bondholders as may then exist;
1404 (2) the rentals, fees and other charges to be charged, and the amounts
1405 to be raised in each year thereby, and the use and disposition of the
1406 revenues; (3) the setting aside of reserves or sinking funds or other
1407 funds or accounts as the board may establish and the regulation and
1408 disposition thereof, including requirements that any such funds and
1409 accounts be held separate from or not be commingled with other funds
1410 of the board; (4) limitations on the right of the board or its agent to
1411 restrict and regulate the use of the project; (5) limitations on the
1412 purpose to which the proceeds of sale of any issue of revenue bonds
1413 then or thereafter to be issued may be applied and pledging such
1414 proceeds to secure the payment of the revenue bonds or any issue of
1415 the revenue bonds; (6) limitations on the issuance of additional bonds,
1416 the terms upon which additional bonds may be issued and secured,
1417 the refunding of outstanding bonds; (7) the procedure, if any, by which
1418 the terms of any contract with bondholders may be amended or
1419 abrogated, the amount of bonds the holders of which must consent
1420 thereto, and the manner in which such consent may be given; (8)
1421 limitations on the amount of moneys derived from the project to be
1422 expended for operating, administrative or other expenses of the board;
1423 (9) defining the acts or omissions to act that shall constitute a default in
1424 the duties of the board to holders of its obligations and providing the
1425 rights and remedies of such holders in the event of a default; (10) the
1426 mortgaging of a project and the site thereof for the purpose of securing
1427 the bondholder; and (11) provisions for the execution of
1428 reimbursement agreements or similar agreements in connection with
1429 credit facilities, including, but not limited to, letters of credit or policies
1430 of bond insurance, remarketing agreements and agreements for the
1431 purpose of moderating interest rate fluctuations.

1432 (d) If any member whose signature or a facsimile of whose

1433 signature appears on any bonds or coupons ceases to be such member
1434 before delivery of such bonds, such signature or such facsimile shall
1435 nevertheless be valid and sufficient for all purposes the same as if he
1436 had remained in office until such delivery. Notwithstanding the
1437 provisions of sections 536 to 550, inclusive, of this act, or any recitals in
1438 any bonds issued under the provisions of this section, all such bonds
1439 shall be deemed to be negotiable instruments under the provisions of
1440 the general statutes.

1441 (e) Unless otherwise provided by the ordinance creating the Energy
1442 Improvement District Board, bonds may be issued under the
1443 provisions of this section, without obtaining the consent of the state or
1444 of any political subdivision thereof, and without any other proceedings
1445 or the happening of other conditions or things than those proceedings,
1446 conditions or things which are specifically required by sections 535 to
1447 550, inclusive, of this act.

1448 (f) An Energy Improvement District Board may, out of any of any
1449 funds available to it, purchase its bonds or notes. The Energy
1450 Improvement District Board may hold, pledge, cancel or resell such
1451 bonds, subject to and in accordance with agreements with
1452 bondholders.

1453 (g) An Energy Improvement District Board shall cause a copy of any
1454 bond resolutions adopted by it to be filed for public inspection in its
1455 office and in the office of the clerk of each participating municipality
1456 and may thereupon cause to be published at least once, in a newspaper
1457 published or circulating in each participating municipality, a notice
1458 stating the fact and date of such adoption and the places where such
1459 bond resolution has been so filed for public inspection and the date of
1460 the first publication of such notice and also stating that any action or
1461 proceeding of any kind or nature in any court questioning the validity
1462 or proper authorization of bonds provided for by the bond resolution,
1463 or the validity of any covenants, agreements or contracts provided for
1464 by the bond resolution, shall be commenced not later than twenty days
1465 after the first publication of such notice. If any such notice is published

1466 and if no action or proceeding question the validity or proper
1467 authorization of bonds provided for by the bond resolution referred to
1468 in such notice, or the validity of any covenants, agreements, contracts
1469 provided for by the bond resolution is commenced or instituted not
1470 later than twenty days after the first publication of said notice, then all
1471 residents and taxpayers and owners of property in each participating
1472 municipality and all other persons shall be forever barred and
1473 foreclosed from instituting or commencing any action or proceeding in
1474 any court, or from pleading any defense to any action or proceeding,
1475 questioning the validity or proper authorization of such bonds, or the
1476 validity of such covenants, agreements or contracts, and said bonds,
1477 covenants, agreements and contracts shall be conclusively deemed to
1478 be valid and binding obligations in accordance with their terms and
1479 tenor.

1480 (h) Notwithstanding any provision of the general statutes, (1) the
1481 state shall not have any liability or responsibility with regard to any
1482 obligation issued by the board, and (2) no political subdivision of the
1483 state shall have any liability or responsibility with regard to any
1484 obligation issued by the board except as expressly provided by
1485 sections 536 to 550, inclusive, of this act.

1486 Sec. 539. (NEW) (*Effective from passage*) An Energy Improvement
1487 District Board may secure any bonds issued under the provisions of
1488 section 538 of this act by a trust indenture by way of conveyance, deed
1489 of trust or mortgage of any project or any other property of the board,
1490 whether or not financed in whole or in part from the proceeds of such
1491 bonds, or by a trust agreement by and between the board and a
1492 corporate trustee, which may be any trust company or bank having the
1493 powers of a trust company within or without the state or by both such
1494 conveyance, deed of trust or mortgage and indenture or trust
1495 agreement. Such trust indenture or agreement may pledge or assign
1496 any or all fees, rents and other charges to be received or proceeds of
1497 any contract or contracts pledged, and may convey or mortgage any
1498 property of the board. Such trust indenture or agreement may contain
1499 such provisions for protecting and enforcing the right and remedies of

1500 the bondholders as may be reasonable and proper and not in violation
1501 of law, including provisions that have been specifically authorized to
1502 be included in any resolution or resolutions of the board authorizing
1503 the issue of bonds. Any bank or trust company incorporated under the
1504 laws of the state may act as depository of the proceeds of such bonds
1505 or of revenues or other moneys and may furnish such indemnifying
1506 bonds or pledge such securities as may be required by the board. Such
1507 trust indenture may set forth rights and remedies of the bondholders
1508 and of the trustee, and may restrict the individual right of action by
1509 bondholders. In addition to the foregoing, such trust indenture or
1510 agreement may contain such other provisions as the board may deem
1511 reasonable and proper for the security of the bondholders. All
1512 expenses incurred in carrying out the provisions of such trust
1513 indenture or agreement may be treated as part of the cost of a project.

1514 Sec. 540. (NEW) (*Effective from passage*) (a) An Energy Improvement
1515 District Board may fix, revise, charge and collect rates, rents, fees and
1516 charges for the use of and for the services furnished or to be furnished
1517 by each project and to contract with any person, partnership,
1518 association or corporation, or other body, public or private, in respect
1519 thereof. Such rates, rents, fees and charges shall be fixed and adjusted
1520 in respect of the aggregate of rates, rents, fees and charges from such
1521 project so as to provide funds sufficient with other revenues, if any, (1)
1522 to pay the cost of maintaining, repairing and operating the project and
1523 each and every portion thereof, to the extent that the payment of such
1524 cost has not otherwise been adequately provided for, (2) to pay the
1525 principal of and the interest on outstanding revenue bonds of the
1526 board issued in respect of such project as the same shall become due
1527 and payable, and (3) to create and maintain reserves required or
1528 provided for in any resolution authorizing, or trust agreement
1529 securing, such revenue bonds of the board. Such rates, rents, fees and
1530 charges shall not be subject to supervision or regulation by any
1531 department, commission, board, body, bureau or agency of this state
1532 other than the board. A sufficient amount of the revenues derived in
1533 respect of a project, except such part of such revenues as may be

1534 necessary to pay the cost of maintenance, repair and operation and to
1535 provide reserves and for renewals, replacements, extensions,
1536 enlargements and improvements as may be provided for in the
1537 resolution authorizing the issuance of any revenue bonds of the board
1538 or in the trust agreement securing the same, shall be set aside at such
1539 regular intervals as may be provided in such resolution or trust
1540 agreement in a sinking or other similar fund which is hereby pledged
1541 to, and charged with, the payment of the principal of and the interest
1542 on such revenue bonds as the same shall become due, and the
1543 redemption price or the purchase price of bonds retired by call or
1544 purchase as therein provided. Such pledge shall be valid and binding
1545 from the time when the pledge is made; the rates, rents, fees and
1546 charges and other revenues or other moneys so pledged and thereafter
1547 received by the board shall immediately be subject to the lien of any
1548 such pledge, without any physical delivery thereof or further act, and
1549 the lien of any such pledge shall be valid and binding as against all
1550 parties having claims of any kind in tort, contract or otherwise against
1551 the board, irrespective of whether such parties have notice thereof.
1552 Neither the resolution nor any trust indenture or agreement by which
1553 a pledge is created need be filed or recorded except in the records of
1554 the board. The use and disposition of moneys to the credit of such
1555 sinking or other similar fund shall be subject to the provisions of the
1556 resolution authorizing the issuance of such bonds or of such trust
1557 agreement. Except as may otherwise be provided in such resolution or
1558 such trust indenture or agreement, such sinking or other similar fund
1559 shall be a fund for all revenue bonds issued to finance a project of such
1560 board without distinction or priority of one over another.

1561 (b) All moneys received by the board pursuant to sections 536 to
1562 550, inclusive, of this act, whether as proceeds from the sale of bonds
1563 or as revenues, shall be deemed to be trust funds to be held and
1564 applied solely as provided pursuant to this section.

1565 Sec. 541. (NEW) (*Effective from passage*) Any holder of bonds, notes,
1566 certificates or other evidences of borrowing issued under the
1567 provisions of section 538 of this act, or of any of the coupons

1568 appertaining thereto, and the trustee under any trust indenture or
1569 agreement, except to the extent the right may be restricted by such
1570 trust indenture or agreement, may, either at law or in equity, by suit,
1571 action, injunction, mandamus or other proceedings, protect and
1572 enforce any and all rights under the provisions of the general statutes
1573 or granted by sections 536 to 550, inclusive, of this act, or under such
1574 trust indenture or agreement or the resolution authorizing the issuance
1575 of such bonds, notes or certificates, and may enforce and compel the
1576 performance of all duties required by said section or by such trust
1577 indenture or agreement or solution to be performed by the Energy
1578 Improvement District Board or by any officer or agent thereof,
1579 including the fixing, charging and collection of fees, rents and other
1580 charges.

1581 Sec. 542. (NEW) (*Effective from passage*) An Energy Improvement
1582 District Board, in the exercise of its powers granted pursuant to
1583 sections 536 to 550, inclusive, of this act, shall be for the benefit of the
1584 inhabitants of the state, for the increase of their commerce and for the
1585 promotion of their safety, health, welfare, convenience and prosperity,
1586 and as the operation and maintenance of any project which the board
1587 is authorized to undertake constitute the performance of an essential
1588 governmental function, no board shall be required to pay any taxes or
1589 assessments upon any project acquired and constructed by it under the
1590 provisions of said sections. The bonds, notes, certificates or other
1591 evidences of debt issued under the provisions of section 538 of this act,
1592 their transfer and the income therefrom, including any profit made on
1593 the sale thereof, shall at all times be free and exempt from taxation by
1594 the state and by any political subdivision thereof.

1595 Sec. 543. (NEW) (*Effective from passage*) Bonds issued by an Energy
1596 Improvement District Board pursuant to section 538 of this act, shall be
1597 securities in which all public officers and public bodies of the state and
1598 its political subdivisions, all insurance companies, trust companies,
1599 banking associations, investment companies and executors,
1600 administrators, trustees and other fiduciaries may properly and legally
1601 invest funds, including capital in their control or belonging to them.

1602 Such bonds shall be securities that may properly and legally be
1603 deposited with and received by any state or municipal officer or any
1604 agency or political subdivision of the state for any purpose for which
1605 the deposit of bonds or obligations is now or may hereafter be
1606 authorized by law.

1607 Sec. 544. (NEW) (*Effective from passage*) A municipality may, by
1608 ordinance, and any other governmental unit may, without any
1609 referendum or public or competitive bidding, and any person may sell,
1610 lease, lend, grant or convey to an Energy Improvement District Board,
1611 or to permit a board to use, maintain or operate as part of any
1612 distributed resource facility, any real or personal property that may be
1613 necessary or useful and convenient for the purposes of the board and
1614 accepted by the board. Any such sale, lease, loan, grant, conveyance or
1615 permit may be made or given with or without consideration and for a
1616 specified or an unlimited period of time and under any agreement and
1617 on any terms and conditions that may be approved by such
1618 municipality, governmental unit or person and that may be agreed to
1619 by the board in conformity with its contract with the holders of any
1620 bonds. Subject to any such contracts with the holders of bonds, the
1621 board may enter into and perform any and all agreements with respect
1622 to property so purchased, leased, borrowed, received or accepted by it,
1623 including agreements for the assumption of principal or interest or
1624 both of indebtedness of such municipality, governmental unit or
1625 person or of any mortgage or lien existing with respect to such
1626 property or for the operation and maintenance of such property as part
1627 of any energy improvement district distributed resources facility.

1628 Sec. 545. (NEW) (*Effective from passage*) A municipality,
1629 governmental unit or person may enter into and perform any lease or
1630 other agreement with any Energy Improvement District Board for the
1631 lease or other agreement with any municipality, governmental unit or
1632 person of all or any part of any energy improvement district
1633 distributed resource facility or facilities. Any such lease or other
1634 agreement may provide for the payment to the board by such
1635 municipality, governmental unit or person, annually or otherwise, of

1636 such sum or sums of money, computed at fixed amount or by any
1637 formula or in any other manner, as may be so fixed or computed. Any
1638 such lease or other agreement may be made and entered into for a
1639 term beginning currently or at some future or contingent date and
1640 with or without consideration and for a specified or unlimited time
1641 and on any terms and conditions which may be approved by such
1642 municipality, governmental unit or person and which may be agreed
1643 to by the board in conformity with its contract with the holders of any
1644 bonds, and shall be valid and binding on such municipality,
1645 governmental unit or person whether or not an appropriation is made
1646 thereby prior to authorization or execution of such lease or other
1647 agreement. Such municipality, governmental unit or person shall do
1648 all acts and things necessary, convenient or desirable to carry out and
1649 perform any such lease or other agreement entered into by it and to
1650 provide for the payment or discharge of any obligation thereunder in
1651 the same manner as other obligations of such municipality,
1652 governmental unit or person.

1653 Sec. 546. (NEW) (*Effective from passage*) For the purpose of aiding an
1654 Energy Improvement District Board, a municipality, by ordinance or
1655 by resolution of its legislative body, shall have power from time to
1656 time and for such period and upon such terms, with or without
1657 consideration, as may be provided by such resolution or ordinance and
1658 accepted by the board, (1) to appropriate moneys for the purposes of
1659 the board, and to loan or donate such money to the board in such
1660 installments and upon such terms as may be agreed upon with the
1661 board, (2) to covenant and agree with the board to pay to or on the
1662 order of the board annually or at shorter intervals as a subsidy for the
1663 promotion of its purposes not more than such sums of money as may
1664 be stated in such resolution or ordinance or computed in accordance
1665 therewith, (3) upon authorization by it in accordance with law of the
1666 performance of any act or thing which it is empowered by law to
1667 authorize and perform and after appropriation of the moneys, if any,
1668 necessary for such performance, to covenant and agree with the board
1669 to do and perform such act or thing and as to the time, manner and

1670 other details of its doing and performance, and (4) to appropriate
1671 money for all or any part of the cost of acquisition or construction of
1672 such facility, and, in accordance with the limitations and any
1673 exceptions thereto and in accordance with procedure prescribed by
1674 law, to incur indebtedness, borrow money and issue its negotiable
1675 bonds for the purpose of financing such distributed resource facility
1676 and appropriation, and to pay the proceeds of such bonds to the board.

1677 Sec. 547. (NEW) (*Effective from passage*) For the purpose of aiding an
1678 Energy Improvement District Board in the planning, undertaking,
1679 acquisition, construction or operation of any distributed resource
1680 facility, a participating municipality may, pursuant to resolution
1681 adopted by its legislative body in the manner provided for adoption of
1682 a resolution authorizing bonds of such municipality and with or
1683 without consideration and upon such terms and conditions as may be
1684 agreed to by and between the municipality and the board,
1685 unconditionally guarantee the punctual payment of the principal of
1686 and interest on any bonds of the board and pledge the full faith and
1687 credit of the municipality to the payment thereof. Any guarantee of
1688 bonds of the board made pursuant to this section shall be evidenced by
1689 endorsement thereof on such bonds, executed in the name of the
1690 municipality and on its behalf by such officer thereof as may be
1691 designated in the resolution authorizing such guaranty, and such
1692 municipality shall thereupon and thereafter be obligated to pay the
1693 principal of and interest on said bonds in the same manner and to the
1694 same extent as in the case of bonds issued by it. As part of the
1695 guarantee of the municipality for payment of principal and interest on
1696 the bonds, the municipality may pledge to and agree with the owners
1697 of bonds issued under this chapter and with those persons who may
1698 enter into contracts with the municipality or the board or any
1699 successor agency pursuant to the provisions of this chapter that it will
1700 not limit or alter the rights thereby vested in the bond owners, the
1701 board or any contracting party until such bonds, together with the
1702 interest thereon, are fully met and discharged and such contracts are
1703 fully performed on the part of the municipality or the board, provided

nothing in this subsection shall preclude such limitation or alteration if and when adequate provisions shall be made by law for the protection of the owners of such bonds of the municipality or the board or those entering into such contracts with the municipality or the board. The board is authorized to include this pledge and undertaking for the municipality in such bonds or contracts. To the extent provided in such agreement or agreements, the obligations of the municipality thereunder shall be obligatory upon the municipality and the inhabitants and property thereof, and thereafter the municipality shall appropriate in each year during the term of such agreement, and there shall be available on or before the date when the same are payable, an amount of money that, together with other revenue available for such purpose, shall be sufficient to pay such principal and interest guaranteed by it and payable thereunder in that year, and there shall be included in the tax levy for each such year in an amount that, together with other revenues available for such purpose, shall be sufficient to meet such appropriation. Any such agreement shall be valid, binding and enforceable against the municipality if approved by action of the legislative body of such municipality. Any such guaranty of bonds of the board may be made, and any resolution authorizing such guaranty may be adopted, notwithstanding any statutory debt or other limitations, but the principal amount of bonds so guaranteed shall, after their issuance, be included in the gross debt of such municipality for the purpose of determining the indebtedness of such municipality under subsection (b) of section 7-374 of the general statutes. The principal amount of bonds so guaranteed and included in gross debt shall be deducted and is declared to be and to constitute a deduction from such gross debt under and for all the purposes of subsection (b) of said section 7-374, (1) from and after the time of issuance of said bonds until the end of the fiscal year beginning next after the completion of acquisition and construction of the distributed resource facility to be financed from the proceeds of such bonds, and (2) during any subsequent fiscal year if the revenues of the board in the preceding fiscal year are sufficient to pay its expenses of operation and maintenance in such year and all amounts payable in such year on

1739 account of the principal and interest on all such guaranteed bonds, all
1740 bonds of the municipality issued as provided in this section and all
1741 bonds of the Energy Improvement District Board issued under section
1742 538 of this act.

1743 Sec. 548. (NEW) (*Effective from passage*) Any lease or other
1744 agreement, and any instruments making or evidencing the same, may
1745 be pledged or assigned by the board established pursuant to section
1746 538 of this act to secure its bonds and thereafter may not be modified
1747 except as provided by the terms of such instrument or by the terms of
1748 such pledge or assignment.

1749 Sec. 549. (NEW) (*Effective from passage*) All property of an Energy
1750 Improvement District Board shall be exempt from levy and sale by
1751 virtue of an execution and no execution or other judicial process shall
1752 issue against the same nor shall any judgment against the board be a
1753 charge or lien upon its property, provided nothing in this section shall
1754 apply to or limit the rights of the holder of any bonds to pursue any
1755 remedy for the enforcement of any pledge or lien given by the board
1756 on its facility revenues or other moneys.

1757 Sec. 550. (NEW) (*Effective from passage*) An Energy Improvement
1758 District Board and the municipality in which any property of the board
1759 is located may enter into agreements with respect to the payment by
1760 the board to such municipality of annual sums of money in lieu of
1761 taxes on such property in such amount as may be agreed upon
1762 between the board and the municipality. The board may make, and the
1763 municipality may accept, such payments and apply them in the
1764 manner in which taxes may be applied in such municipality, provided
1765 no such annual payment with respect to any parcel of such property
1766 shall exceed the amount of taxes paid thereon for the taxable year
1767 immediately prior to the time of its acquisition by the board.

1768 Sec. 551. Subsection (b) of section 16-243a of the general statutes is
1769 repealed and the following is substituted in lieu thereof (*Effective*
1770 *October 1, 2007*):

1771 (b) Each electric public service company, municipal electric energy
1772 cooperative and municipal electric utility shall: (1) Purchase any
1773 electrical energy and capacity made available, directly by a private
1774 power producer or indirectly under subdivision (4) of this subsection;
1775 (2) sell backup electricity to any private power producer in its service
1776 territory; (3) make such interconnections in accordance with the
1777 regulations adopted pursuant to subsection (h) of this section
1778 necessary to accomplish such purchases and sales; (4) upon approval
1779 by the Department of Public Utility Control of an application filed by a
1780 willing private power producer, transmit energy or capacity from the
1781 private power producer to any other such company, cooperative or
1782 utility or to another facility operated by the private power producer;
1783 and (5) offer to operate in parallel with a private power producer. In
1784 making a decision on an application filed under subdivision (4) of this
1785 subsection, the department shall consider whether such transmission
1786 would (A) adversely impact the customers of the company,
1787 cooperative or utility which would transmit energy or capacity to the
1788 private power producer, (B) result in an uncompensated loss for, or
1789 unduly burden, such company, cooperative, utility or private power
1790 producer, (C) impair the reliability of service of such company,
1791 cooperative or utility, or (D) impair the ability of the company,
1792 cooperative or utility to provide adequate service to its customers. The
1793 department shall issue a decision on such an application not later than
1794 one hundred twenty days after the application is filed, provided, the
1795 department may, before the end of such period and upon notifying all
1796 parties and intervenors to the proceeding, extend the period by thirty
1797 days. If the department does not issue a decision within one hundred
1798 twenty days after receiving such an application, or within one hundred
1799 fifty days if the department extends the period in accordance with the
1800 provisions of this subsection, the application shall be deemed to have
1801 been approved. The requirements under subdivisions (3), (4) and (5) of
1802 this subsection shall be subject to reasonable standards for operating
1803 safety and reliability and the nondiscriminatory assessment of costs
1804 against private power producers, approved by the Department of
1805 Public Utility Control with respect to electric public service companies

1806 or determined by municipal electric energy cooperatives and
1807 municipal electric utilities.

1808 Sec. 552. Section 16-243a of the general statutes is amended by
1809 adding subsection (h) as follows (*Effective October 1, 2007*):

1810 (NEW) (h) Not later than January 1, 2008, the Department of Public
1811 Utility Control shall issue a final decision regarding interconnection
1812 standards that promote the policies of this section and meet or exceed
1813 national standards of interconnectivity. If the department does not
1814 issue a final decision by October 1, 2008, each electric distribution
1815 company, municipal electric energy cooperative and municipal electric
1816 utility shall meet the standards set forth in Title 4, Chapter 4,
1817 Subchapter 9, "Net Metering and Interconnection Standards for Class I
1818 Renewable Energy Systems" of the New Jersey Administrative Code.

1819 Sec. 553. Subsection (a) of section 16-245n of the general statutes is
1820 repealed and the following is substituted in lieu thereof (*Effective*
1821 *October 1, 2007*):

1822 (a) For purposes of this section, "renewable energy" means solar
1823 photovoltaic energy, solar thermal energy, wind, ocean thermal
1824 energy, wave or tidal energy, fuel cells, landfill gas, hydropower that
1825 will meet the low-impact standards of the Low-Impact Hydropower
1826 Institute, hydrogen production and hydrogen conversion technologies,
1827 low emission advanced biomass conversion technologies, alternative
1828 fuel, including ethanol, biodiesel, or other fuel produced in
1829 Connecticut and derived from agricultural produce, food waste or
1830 waste vegetable oil, usable electricity from combined heat and power
1831 systems with waste heat recovery systems, thermal storage systems
1832 and other energy resources and emerging technologies which have
1833 significant potential for commercialization and which do not involve
1834 the combustion of coal, petroleum or petroleum products, municipal
1835 solid waste or nuclear fission.

1836 Sec. 554. Section 16-243h of the general statutes is repealed and the
1837 following is substituted in lieu thereof (*Effective October 1, 2007*):

1838 On and after January 1, 2000, each electric supplier or any electric
1839 distribution company providing standard offer, transitional standard
1840 offer, standard service or back-up electric generation service, pursuant
1841 to section 16-244c, as amended by this act, shall give a credit for any
1842 electricity generated by a [residential] customer from a Class I
1843 renewable energy source or a hydropower facility that has a nameplate
1844 capacity rating of two megawatts or less. The electric distribution
1845 company providing electric distribution services to such a customer
1846 shall make such interconnections necessary to accomplish such
1847 purpose. An electric distribution company, at the request of any
1848 residential customer served by such company and if necessary to
1849 implement the provisions of this section, shall provide for the
1850 installation of metering equipment that (1) measures electricity
1851 consumed by such customer from the facilities of the electric
1852 distribution company, (2) deducts from the measurement the amount
1853 of electricity produced by the customer and not consumed by the
1854 customer, and (3) registers, for each billing period, the net amount of
1855 electricity either (A) consumed and produced by the customer, or (B)
1856 the net amount of electricity produced by the customer. If, in a given
1857 monthly billing period, a customer-generator supplies more electricity
1858 to the electric distribution system than the electric distribution
1859 company or electric supplier delivers to the customer-generator, the
1860 electric distribution company and electric supplier shall credit the
1861 customer-generator for the excess by reducing the customer-
1862 generator's bill for the next monthly billing period to compensate for
1863 the excess electricity from the customer-generator in the previous
1864 billing period. The electric distribution company and electric supplier
1865 shall carry over credit earned from monthly billing period to monthly
1866 billing period, and the credit shall accumulate until the end of the
1867 annualized period. At the end of each annualized period, the electric
1868 distribution company and electric supplier shall compensate the
1869 customer-generator for any excess kilowatt-hours generated, at the
1870 avoided cost of wholesale power. A [residential] customer who
1871 generates electricity from a generating unit with a name plate capacity
1872 of more than ten kilowatts of electricity pursuant to the provisions of

1873 this section shall be assessed for the competitive transition assessment,
1874 pursuant to section 16-245g and the systems benefits charge, pursuant
1875 to section 16-245l based on the amount of electricity consumed by the
1876 customer from the facilities of the electric distribution company
1877 without netting any electricity produced by the customer. For
1878 purposes of this section, "residential customer" means a customer of a
1879 single-family dwelling or multifamily dwelling consisting of two to
1880 four units.

1881 Sec. 555. Section 16-245a of the general statutes is repealed and the
1882 following is substituted in lieu thereof (*Effective October 1, 2007*):

1883 (a) [On and after January 1, 2006, an] An electric supplier and an
1884 electric distribution company providing standard service or supplier of
1885 last resort service, pursuant to section 16-244c, as amended by this act,
1886 shall demonstrate:

1887 (1) On and after January 1, 2006, that not less than two per cent of
1888 the total output or services of any such supplier or distribution
1889 company shall be generated from Class I renewable energy sources
1890 and an additional three per cent of the total output or services shall be
1891 from Class I or Class II renewable energy sources; [.]

1892 (2) On and after January 1, 2007, not less than three and one-half per
1893 cent of the total output or services of any such supplier or distribution
1894 company shall be generated from Class I renewable energy sources
1895 and an additional three per cent of the total output or services shall be
1896 from Class I or Class II renewable energy sources; [.]

1897 (3) On and after January 1, 2008, not less than five per cent of the
1898 total output or services of any such supplier or distribution company
1899 shall be generated from Class I renewable energy sources and an
1900 additional three per cent of the total output or services shall be from
1901 Class I or Class II renewable energy sources; [.]

1902 (4) On and after January 1, 2009, not less than six per cent of the
1903 total output or services of any such supplier or distribution company

1904 shall be generated from Class I renewable energy sources and an
1905 additional three per cent of the total output or services shall be from
1906 Class I or Class II renewable energy sources; [.]

1907 (5) On and after January 1, 2010, not less than seven per cent of the
1908 total output or services of any such supplier or distribution company
1909 shall be generated from Class I renewable energy sources and an
1910 additional three per cent of the total output or services shall be from
1911 Class I or Class II renewable energy sources;

1912 (6) On and after January 1, 2011, not less than eight per cent of the
1913 total output or services of any such supplier or distribution company
1914 shall be generated from Class I renewable energy sources and an
1915 additional three per cent of the total output or services shall be from
1916 Class I or Class II renewable energy sources;

1917 (7) On and after January 1, 2012, not less than nine per cent of the
1918 total output or services of any such supplier or distribution company
1919 shall be generated from Class I renewable energy sources and an
1920 additional three per cent of the total output or services shall be from
1921 Class I or Class II renewable energy sources;

1922 (8) On and after January 1, 2013, not less than ten per cent of the
1923 total output or services of any such supplier or distribution company
1924 shall be generated from Class I renewable energy sources and an
1925 additional three per cent of the total output or services shall be from
1926 Class I or Class II renewable energy sources;

1927 (9) On and after January 1, 2014, not less than eleven per cent of the
1928 total output or services of any such supplier or distribution company
1929 shall be generated from Class I renewable energy sources and an
1930 additional three per cent of the total output or services shall be from
1931 Class I or Class II renewable energy sources;

1932 (10) On and after January 1, 2015, not less than twelve and one-half
1933 per cent of the total output or services of any such supplier or
1934 distribution company shall be generated from Class I renewable

1935 energy sources and an additional three per cent of the total output or
1936 services shall be from Class I or Class II renewable energy sources;

1937 (11) On and after January 1, 2016, not less than fourteen per cent of
1938 the total output or services of any such supplier or distribution
1939 company shall be generated from Class I renewable energy sources
1940 and an additional three per cent of the total output or services shall be
1941 from Class I or Class II renewable energy sources;

1942 (12) On and after January 1, 2017, not less than fifteen and one-half
1943 per cent of the total output or services of any such supplier or
1944 distribution company shall be generated from Class I renewable
1945 energy sources and an additional three per cent of the total output or
1946 services shall be from Class I or Class II renewable energy sources;

1947 (13) On and after January 1, 2018, not less than seventeen per cent of
1948 the total output or services of any such supplier or distribution
1949 company shall be generated from Class I renewable energy sources
1950 and an additional three per cent of the total output or services shall be
1951 from Class I or Class II renewable energy sources;

1952 (14) On and after January 1, 2019, not less than nineteen and one-
1953 half per cent of the total output or services of any such supplier or
1954 distribution company shall be generated from Class I renewable
1955 energy sources and an additional three per cent of the total output or
1956 services shall be from Class I or Class II renewable energy sources;

1957 (15) On and after January 1, 2020, not less than twenty per cent of
1958 the total output or services of any such supplier or distribution
1959 company shall be generated from Class I renewable energy sources
1960 and an additional three per cent of the total output or services shall be
1961 from Class I or Class II renewable energy sources.

1962 (b) An electric supplier or electric distribution company may satisfy
1963 the requirements of this section (1) by purchasing certificates issued by
1964 the New England Power Pool Generation Information System,
1965 provided the certificates are for (A) energy produced by a generating

1966 unit using Class I or Class II renewable energy sources and the
1967 generating unit is located in the jurisdiction of the regional
1968 independent system operator, or (B) energy imported into the control
1969 area of the regional independent system operator pursuant to New
1970 England Power Pool Generation Information System Rule 2.7(c), as in
1971 effect on January 1, 2006; [or] (2) for those renewable energy
1972 certificates under contract to serve end-use customers in the state on or
1973 before October 1, 2006, by participating in a renewable energy trading
1974 program within said jurisdictions as approved by the Department of
1975 Public Utility Control; or (3) by purchasing electricity from residential
1976 customers who are net producers.

1977 (c) Any supplier who provides electric generation services solely
1978 from a Class II renewable energy source shall not be required to
1979 comply with the provisions of this section.

1980 (d) An electric supplier or an electric distribution company shall
1981 base its demonstration of generation sources, as required under
1982 subsection (a) of this section on historical data, which may consist of
1983 data filed with the regional independent system operator.

1984 (e) (1) A supplier or an electric distribution company may make up
1985 any deficiency within its renewable energy portfolio within the first
1986 three months of the succeeding calendar year or as otherwise provided
1987 by generation information system operating rules approved by New
1988 England Power Pool or its successor to meet the generation source
1989 requirements of subsection (a) of this section for the previous year.

1990 (2) No such supplier or electric distribution company shall receive
1991 credit for the current calendar year for generation from Class I or Class
1992 II renewable energy sources pursuant to this section where such
1993 supplier or distribution company receives credit for the preceding
1994 calendar year pursuant to subdivision (1) of this subsection.

1995 (f) The department shall adopt regulations, in accordance with the
1996 provisions of chapter 54, to implement the provisions of this section.

1997 Sec. 556. Section 16-245a of the general statutes is amended by
1998 adding subsection (g) as follows (*Effective from passage*):

1999 (NEW) (g) (1) Notwithstanding the provisions of this section and
2000 section 16-244c, as amended by this act, for periods beginning on and
2001 after January 1, 2008, each electric distribution company may procure
2002 renewable energy certificates from Class I, Class II and Class III
2003 renewable energy sources that represent generation in amounts equal
2004 to or greater than fifty per cent of the procurement from Class I, Class
2005 II and Class III renewable energy sources. The electric distribution
2006 companies may enter into long-term contracts for not more than fifteen
2007 years to procure such renewable energy certificates associated with
2008 output and services delivered over the term of the contract. The
2009 generation associated with the renewable energy certificates purchased
2010 pursuant to this section shall be credited against the required amounts
2011 of output and standard service or supplier of last resort service,
2012 pursuant to subsection (a) of this section, for the periods which the
2013 output and services to which such renewable energy certificates apply
2014 is produced.

2015 (2) The department shall conduct a contested case proceeding to
2016 establish the procedures for the procurement of renewable energy
2017 certificates pursuant to this subsection and the recovery of the costs of
2018 such program from customers of the electric distribution companies.
2019 The department's procedures shall include: (A) The method and
2020 timing of crediting of the procurement of renewable energy certificates
2021 against the renewable portfolio standard purchase obligations of
2022 electric suppliers and the electric distribution companies pursuant to
2023 subsection (a) of this section; (B) the terms and conditions, including
2024 reasonable performance assurance commitments, to be imposed on
2025 entities seeking to supply renewable energy certificates; and (C)
2026 compensation, not to exceed one mill per kilowatt hour of output and
2027 services associated with the renewable energy certificates purchased
2028 pursuant to this subsection, which shall be payable to the electric
2029 distribution companies for administering the procurement provided
2030 for under this subsection. Revenues from such compensation shall not

2031 be included in calculating the electric distribution companies' earnings
2032 to determine if rates are just and reasonable, for earnings sharing
2033 mechanisms or for purposes of sections 16-19, 16-19a and 16-19e, as
2034 amended by this act.

2035 Sec. 557. (NEW) (*Effective July 1, 2007*) (a) A municipal electric
2036 energy cooperative, created pursuant to chapter 101a of the general
2037 statutes, shall submit a comprehensive report on the activities of the
2038 municipal electric utilities with regard to promotion of renewable
2039 energy resources. Such report shall identify the standards and
2040 activities of municipal electric utilities in the promotion,
2041 encouragement and expansion of the deployment and use of
2042 renewable energy sources within the service areas of the municipal
2043 electric utilities for the prior calendar year. The cooperative shall
2044 submit the report to the Renewable Energy Investment Advisory
2045 Committee established pursuant to section 16-245n of the general
2046 statutes, as amended by this act, not later than ninety days after the
2047 end of each calendar year that describes the activities undertaken
2048 pursuant to this subsection during the previous calendar year for the
2049 promotion and development of renewable energy sources for all
2050 electric customer classes.

2051 (b) Such cooperative shall develop standards for the promotion of
2052 renewable resources that apply to each municipal electric utility. On or
2053 before January 1, 2008, and annually thereafter, such cooperative shall
2054 submit such standards to the Renewable Energy Investment Advisory
2055 Committee.

2056 Sec. 558. (NEW) (*Effective from passage*) (a) Notwithstanding the
2057 provisions of title 16 of the general statutes, a customer who
2058 implements energy conservation or customer-side distributed
2059 resources, as defined in section 16-1 of the general statutes, as
2060 amended by this act, on or after January 1, 2008, shall be eligible for
2061 Class III credits, pursuant to section 16-243q of the general statutes, as
2062 amended by this act. The Class III credit shall be not less than one cent
2063 per kilowatt hour. For projects receiving conservation and load

2064 management funding, twenty-five per cent of the credits earned
2065 pursuant to this section shall be aggregated and directed to the
2066 customer who implements energy conservation or customer-side
2067 distribution resources pursuant to this section with the remainder
2068 directed to the Conservation and Load Management Funds. For
2069 applications for projects not receiving conservation and load
2070 management funding submitted on or after March 9, 2007, seventy-five
2071 per cent of the credits earned pursuant to this section shall be
2072 aggregated and directed to the customer who implements energy
2073 conservation or customer-side distribution resources pursuant to this
2074 section with the remainder directed to the Conservation and Load
2075 Management Funds. Not later than July 1, 2007, the Department of
2076 Public Utility Control shall conduct a contested case proceeding in
2077 accordance with the provisions of chapter 54 of the general statutes, to
2078 develop a procedure for awarding and aggregating credits pursuant to
2079 this section.

2080 (b) In order to be eligible for ongoing Class III credits, the customer
2081 shall, annually, submit an application, in a form prescribed by the
2082 Department of Public Utility Control, to said department. The
2083 application shall require (1) certification by an independent licensed
2084 engineer, and (2) (A) the number of kilowatt hours generated from the
2085 customer-side distributed resource system for the annual period, or (B)
2086 the number of kilowatt hours reduced by the energy conservation
2087 investments for the annual period.

2088 (c) For projects that serve residential customers, seventy-five per
2089 cent of the credits shall be directed to the Conservation and Load
2090 Management Funds.

2091 Sec. 559. Section 16-243q of the general statutes is repealed and the
2092 following is substituted in lieu thereof (*Effective October 1, 2007*):

2093 (a) On and after January 1, 2007, each electric distribution company
2094 providing standard service pursuant to section 16-244c, as amended by
2095 this act, and each electric supplier as defined in section 16-1, as

2096 amended by this act, shall demonstrate to the satisfaction of the
2097 Department of Public Utility Control that not less than one per cent of
2098 the total output of such supplier or such standard service of an electric
2099 distribution company shall be obtained from Class III [resources]
2100 sources. On and after January 1, 2008, not less than two per cent of the
2101 total output of any such supplier or such standard service of an electric
2102 distribution company shall, on demonstration satisfactory to the
2103 Department of Public Utility Control, be obtained from Class III
2104 [resources] sources. On or after January 1, 2009, not less than three per
2105 cent of the total output of any such supplier or such standard service of
2106 an electric distribution company shall, on demonstration satisfactory to
2107 the Department of Public Utility Control, be obtained from Class III
2108 [resources] sources. On and after January 1, 2010, not less than four per
2109 cent of the total output of any such supplier or such standard service of
2110 an electric distribution company shall, on demonstration satisfactory to
2111 the Department of Public Utility Control, be obtained from Class III
2112 [resources] sources. Electric power obtained from customer-side
2113 distributed resources that does not meet air and water quality
2114 standards of the Department of Environmental Protection is not
2115 eligible for purposes of meeting the percentage standards in this
2116 section.

2117 (b) Except as provided in subsection (d) of this section, the
2118 Department of Public Utility Control shall assess each electric supplier
2119 and each electric distribution company that fails to meet the
2120 percentage standards of subsection (a) of this section a charge of up to
2121 five and five-tenths cents for each kilowatt hour of electricity that such
2122 supplier or company is deficient in meeting such percentage
2123 standards. Seventy-five per cent of such assessed charges shall be
2124 deposited in the Energy Conservation and Load Management Fund
2125 established in section 16-245m, and twenty-five per cent shall be
2126 deposited in the Renewable Energy Investment Fund established in
2127 section 16-245n, as amended by this act, except that such seventy-five
2128 per cent of assessed charges with respect to an electric supplier shall be
2129 divided among the Energy Conservation and Load Management

2130 Funds of electric distribution companies in proportion to the amount
2131 of electricity such electric supplier provides to end use customers in
2132 the state using the facilities of each electric distribution company.

2133 (c) An electric supplier or electric distribution company may satisfy
2134 the requirements of this section by participating in a conservation and
2135 distributed resources trading program approved by the Department of
2136 Public Utility Control. Credits created by conservation and customer-
2137 side distributed resources shall be allocated to the person that
2138 conserved the electricity or installed the project for customer-side
2139 distributed resources to which the credit is attributable and to the
2140 Energy Conservation and Load Management Fund. Such credits shall
2141 be made in the following manner: A minimum of twenty-five per cent
2142 of the credits shall be allocated to the person that conserved the
2143 electricity or installed the project for customer-side distributed
2144 resources to which the energy credit is attributable and the remainder
2145 of the credits shall be allocated to the Energy Conservation and Load
2146 Management Fund, based on a schedule created by the department no
2147 later than January 1, 2007, and reviewed annually thereafter. The
2148 department may, in a proceeding and for good cause shown, allocate a
2149 larger proportion of such credits to the person who conserved the
2150 electricity or installed the customer-side distributed resources. The
2151 department shall consider the proportion of investment made by a
2152 ratepayer through various ratepayer-funded incentive programs and
2153 the resulting reduction in federally mandated congestion charges. The
2154 portion allocated to the Energy Conservation and Load Management
2155 Fund shall be used for measures that respond to energy demand and
2156 for peak reduction programs.

2157 (d) An electric distribution company providing standard service
2158 may contract with its wholesale suppliers to comply with the
2159 conservation and customer-side distributed resources standards set
2160 forth in subsection (a) of this section. The Department of Public Utility
2161 Control shall annually conduct a contested case, in accordance with the
2162 provisions of chapter 54, to determine whether the electric distribution
2163 company's wholesale suppliers met the conservation and distributed

resources standards during the preceding year. Any such contract shall include a provision that requires such supplier to pay the electric distribution company in an amount of up to five and one-half cents per kilowatt hour if the wholesale supplier fails to comply with the conservation and distributed resources standards during the subject annual period. The electric distribution company shall immediately transfer seventy-five per cent of any payment received from the wholesale supplier for the failure to meet the conservation and distributed resources standards to the Energy Conservation and Load Management Fund and twenty-five per cent to the Renewable Energy Investment Fund. Any payment made pursuant to this section shall not be considered revenue or income to the electric distribution company.

(e) The Department of Public Utility Control shall conduct a contested proceeding to develop the administrative processes and program specifications that are necessary to implement a Class III sources conservation and distributed resources trading program. The proceeding shall include, but not be limited to, an examination of issues such as (1) the manner in which qualifying activities are certified, tracked and reported, (2) the manner in which Class III certificates are created, accounted for and transferred, [(3) the feasibility and benefits of expanding eligible Class III resources to include those resulting from electricity savings made by residential customers, (4)] (3) verification of the accuracy of conservation and customer-side distributed resources credits, [(5)] (4) verification of the fact that resources or credits used to satisfy the requirement of this section have not been used to satisfy any other portfolio or similar requirement, [(6)] (5) the manner in which credits created by conservation and customer-side distributed resources may best be allocated to maximize the impact of the trading program, and [(7)] (6) setting such alternative payment amounts at a level that encourages development of conservation and customer-side distributed resources. The department may retain the services of a third party entity with expertise in the development of energy efficiency trading or

2198 verification programs to assist in the development and operation of the
2199 program. The department shall issue a decision no later than February
2200 1, [2006] 2008.

2201 Sec. 560. Subdivision (44) of subsection (a) of section 16-1 of the
2202 general statutes is repealed and the following is substituted in lieu
2203 thereof (*Effective from passage*):

2204 (44) "Class III [renewable energy] source" means the electricity
2205 output from combined heat and power systems with an operating
2206 efficiency level of no less than fifty per cent that are part of customer-
2207 side distributed resources developed at commercial and industrial
2208 facilities in this state on or after January 1, 2006, a waste heat recovery
2209 system installed on or after April 1, 2007, that produces electrical or
2210 thermal energy by capturing preexisting waste heat or pressure from
2211 industrial or commercial processes, or the electricity savings created at
2212 commercial and industrial facilities and residences in this state from
2213 conservation and load management programs begun on or after
2214 January 1, 2006.

2215 Sec. 561. Subsection (a) of section 22a-6 of the general statutes is
2216 repealed and the following is substituted in lieu thereof (*Effective*
2217 *October 1, 2007*):

2218 (a) The commissioner may: (1) Adopt, amend or repeal, in
2219 accordance with the provisions of chapter 54, such environmental
2220 standards, criteria and regulations, and such procedural regulations as
2221 are necessary and proper to carry out his functions, powers and duties;
2222 (2) enter into contracts with any person, firm, corporation or
2223 association to do all things necessary or convenient to carry out the
2224 functions, powers and duties of the department; (3) initiate and receive
2225 complaints as to any actual or suspected violation of any statute,
2226 regulation, permit or order administered, adopted or issued by him.
2227 The commissioner shall have the power to hold hearings, administer
2228 oaths, take testimony and subpoena witnesses and evidence, enter
2229 orders and institute legal proceedings including, but not limited to,

2230 suits for injunctions, for the enforcement of any statute, regulation,
2231 order or permit administered, adopted or issued by him; (4) in
2232 accordance with regulations adopted by him, require, issue, renew,
2233 revoke, modify or deny permits, under such conditions as he may
2234 prescribe, governing all sources of pollution in Connecticut within his
2235 jurisdiction; (5) in accordance with constitutional limitations, enter at
2236 all reasonable times, without liability, upon any public or private
2237 property, except a private residence, for the purpose of inspection and
2238 investigation to ascertain possible violations of any statute, regulation,
2239 order or permit administered, adopted or issued by him and the
2240 owner, managing agent or occupant of any such property shall permit
2241 such entry, and no action for trespass shall lie against the
2242 commissioner for such entry, or he may apply to any court having
2243 criminal jurisdiction for a warrant to inspect such premises to
2244 determine compliance with any statute, regulation, order or permit
2245 administered, adopted or enforced by him, provided any information
2246 relating to secret processes or methods of manufacture or production
2247 ascertained by the commissioner during, or as a result of, any
2248 inspection, investigation, hearing or otherwise shall be kept
2249 confidential and shall not be disclosed except that, notwithstanding the
2250 provisions of subdivision (5) of subsection (b) of section 1-210, such
2251 information may be disclosed by the commissioner to the United States
2252 Environmental Protection Agency pursuant to the federal Freedom of
2253 Information Act of 1976, (5 USC 552) and regulations adopted
2254 thereunder or, if such information is submitted after June 4, 1986, to
2255 any person pursuant to the federal Clean Water Act (33 USC 1251 et
2256 seq.); (6) undertake any studies, inquiries, surveys or analyses he may
2257 deem relevant, through the personnel of the department or in
2258 cooperation with any public or private agency, to accomplish the
2259 functions, powers and duties of the commissioner; (7) require the
2260 posting of sufficient performance bond or other security to assure
2261 compliance with any permit or order; (8) provide by notice printed on
2262 any form that any false statement made thereon or pursuant thereto is
2263 punishable as a criminal offense under section 53a-157b; (9) construct
2264 or repair or contract for the construction or repair of any dam or flood

2265 and erosion control system under his control and management, make
2266 or contract for the making of any alteration, repair or addition to any
2267 other real asset under his control and management, including rented
2268 or leased premises, involving an expenditure of five hundred thousand
2269 dollars or less, and, with prior approval of the Commissioner of Public
2270 Works, make or contract for the making of any alteration, repair or
2271 addition to such other real asset under his control and management
2272 involving an expenditure of more than five hundred thousand dollars
2273 but not more than one million dollars; (10) in consultation with
2274 affected town and watershed organizations, enter into a lease
2275 agreement with a private entity to allow the private entity to generate
2276 hydroelectricity; (11) by regulations adopted in accordance with the
2277 provisions of chapter 54, require the payment of a fee sufficient to
2278 cover the reasonable cost of the search, duplication and review of
2279 records requested under the Freedom of Information Act, as defined in
2280 section 1-200, and the reasonable cost of reviewing and acting upon an
2281 application for and monitoring compliance with the terms and
2282 conditions of any state or federal permit, license, registration, order,
2283 certificate or approval required pursuant to subsection (i) of section
2284 22a-39, subsections (c) and (d) of section 22a-96, subsections (h), (i) and
2285 (k) of section 22a-424, and sections 22a-6d, 22a-32, 22a-134a, 22a-134e,
2286 22a-135, 22a-148, 22a-150, 22a-174, 22a-208, 22a-208a, 22a-209, 22a-342,
2287 22a-345, 22a-354i, 22a-361, 22a-363c, 22a-368, 22a-372, 22a-379, 22a-403,
2288 22a-409, 22a-416, 22a-428 to 22a-432, inclusive, 22a-449 and 22a-454 to
2289 22a-454c, inclusive, and Section 401 of the federal Clean Water Act, (33
2290 USC 1341). Such costs may include, but are not limited to the costs of
2291 (A) public notice, (B) reviews, inspections and testing incidental to the
2292 issuance of and monitoring of compliance with such permits, licenses,
2293 orders, certificates and approvals, and (C) surveying and staking
2294 boundary lines. The applicant shall pay the fee established in
2295 accordance with the provisions of this section prior to the final
2296 decision of the commissioner on the application. The commissioner
2297 may postpone review of an application until receipt of the payment.
2298 Payment of a fee for monitoring compliance with the terms or
2299 conditions of a permit shall be at such time as the commissioner deems

2300 necessary and is required for an approval to remain valid; and [(11)]
2301 (12) by regulations adopted in accordance with the provisions of
2302 chapter 54, require the payment of a fee sufficient to cover the
2303 reasonable cost of responding to requests for information concerning
2304 the status of real estate with regard to compliance with environmental
2305 statutes, regulations, permits or orders. Such fee shall be paid by the
2306 person requesting such information at the time of the request. Funds
2307 not exceeding two hundred thousand dollars received by the
2308 commissioner pursuant to subsection (g) of section 22a-174, during the
2309 fiscal year ending June 30, 1985, shall be deposited in the General Fund
2310 and credited to the appropriations of the Department of
2311 Environmental Protection in accordance with the provisions of section
2312 4-86, and such funds shall not lapse until June 30, 1986. In any action
2313 brought against any employee of the department acting within his
2314 scope of delegated authority in performing any of the above-listed
2315 duties, the employee shall be represented by the Attorney General.

2316 Sec. 562. Subdivision (57) of section 12-81 of the general statutes is
2317 repealed and the following is substituted in lieu thereof (*Effective*
2318 *October 1, 2007, and applicable to assessment years commencing on or after*
2319 *October 1, 2007*):

2320 (57) (a) [Subject to authorization of the exemption by ordinance in
2321 any municipality, any] Any Class I renewable energy source, as
2322 defined in section 16-1, as amended by this act, or any hydropower
2323 facility described in subdivision (27) of said section 16-1, as amended
2324 by this act, installed for the generation of electricity for private
2325 residential use, provided such installation occurs on or after October 1,
2326 1977, and further provided such installation is for a single family
2327 dwelling or multifamily dwelling consisting of two to four units, or
2328 any passive or active solar water or space heating system or
2329 geothermal energy resource;

2330 (b) Any person claiming the exemption provided in this subdivision
2331 for any assessment year shall, on or before the first day of November
2332 in such assessment year, file with the assessor or board of assessors in

2333 the town in which such hydropower facility, Class I renewable energy
2334 source, or passive or active solar water or space heating system or
2335 geothermal energy resource is located, written application claiming
2336 such exemption. Failure to file such application in the manner and
2337 form as provided by such assessor or board within the time limit
2338 prescribed shall constitute a waiver of the right to such exemption for
2339 such assessment year. Such application shall not be required for any
2340 assessment year following that for which the initial application is filed,
2341 provided if such hydropower facility, Class I renewable energy source,
2342 or passive or active solar water or space heating system or geothermal
2343 energy resource is altered in a manner which would require a building
2344 permit, such alteration shall be deemed a waiver of the right to such
2345 exemption until a new application, applicable with respect to such
2346 altered source, is filed and the right to such exemption is established as
2347 required initially.

2348 Sec. 563. Subdivision (63) of section 12-81 of the general statutes is
2349 repealed and the following is substituted in lieu thereof (*Effective*
2350 *October 1, 2007, and applicable to assessment years commencing on or after*
2351 *October 1, 2007*):

2352 (63) (a) Subject to authorization of the exemption by ordinance in
2353 any municipality and to the provisions of subparagraph (b) of this
2354 subdivision, [any solar energy electricity generating system which is
2355 not eligible for exemption under subdivision (57) of this section,] any
2356 cogeneration system [, or both,] installed on or after July 1, 1981, [and
2357 before October 1, 2006.] The ordinance shall establish the number of
2358 years that a system will be exempt from taxation, except that it may
2359 not provide for an exemption beyond the first fifteen assessment years
2360 following the installation of a system. The ordinance shall prohibit the
2361 exemption from applying to additions to resources recovery facilities
2362 operating on October 1, 1994, or to resources recovery facilities
2363 constructed on and after that date and may prohibit the exemption
2364 from applying to property acquired by eminent domain for the
2365 purpose of qualifying for the exemption;

2366 (b) As used in this subdivision, [(A) "solar energy electricity
2367 generating system" means equipment which is designed, operated and
2368 installed as a system which utilizes solar energy as the energy source
2369 for at least seventy-five per cent of the electricity produced by the
2370 system and meets the standards established by regulation, in
2371 accordance with the provisions of chapter 54, by the Secretary of the
2372 Office of Policy and Management, and (B)] "cogeneration system"
2373 means equipment which is designed, operated and installed as a
2374 system which produces, in the same process, electricity and exhaust
2375 steam, waste steam, heat or other resultant thermal energy which is
2376 used for space or water heating or cooling, industrial, commercial,
2377 manufacturing or other useful purposes and which meets standards
2378 established by regulation, in accordance with the provisions of chapter
2379 54, by the Secretary of the Office of Policy and Management;

2380 (c) Any municipality which adopts an ordinance authorizing an
2381 exemption provided by this subdivision may enter into a written
2382 agreement with an applicant for the exemption, which may require the
2383 applicant to make payments to the municipality in lieu of taxes. The
2384 agreement may vary the amount of the payments in lieu of taxes in
2385 each assessment year of the agreement, provided the payment in any
2386 assessment year is not greater than the taxes which would otherwise
2387 be due in the absence of the exemption. Any agreement negotiated
2388 under this subdivision shall be submitted to the legislative body of the
2389 municipality for its approval or rejection;

2390 (d) Any person claiming the exemption provided in this subdivision
2391 for any assessment year and whose application has been approved in
2392 accordance with subparagraph (c) of this subdivision shall, on or
2393 before the first day of November in such assessment year, file with the
2394 assessor or board of assessors in the town in which the system is
2395 located written application claiming the exemption. Failure to file the
2396 application in the manner and form as provided by such assessor or
2397 board within the time limit prescribed shall constitute a waiver of the
2398 right to the exemption for such assessment year. Such application shall
2399 not be required for any assessment year following that for which the

2400 initial application is filed, provided if such [solar energy electricity
2401 generating system or] cogeneration system is altered in a manner
2402 which would require a building permit, such alteration shall be
2403 deemed a waiver of the right to such exemption until a new
2404 application, applicable with respect to such altered system, is filed and
2405 the right to such exemption is established as required initially.

2406 Sec. 564. Subsection (b) of section 16a-7c of the general statutes is
2407 repealed and the following is substituted in lieu thereof (*Effective July*
2408 *1, 2007*):

2409 (b) On or after December 1, 2004, not later than fifteen days after the
2410 filing of an application pursuant to subdivision (1) of subsection (a) of
2411 section 16-50i, except for an application for a facility described in
2412 subdivision (5) or (6) of subsection (a) of section 16-50i, the Connecticut
2413 Energy Advisory Board shall issue a request-for-proposal to seek
2414 alternative solutions to the need that will be addressed by the
2415 proposed facility in such application. Such request-for-proposal shall,
2416 where relevant, solicit proposals that include distributed generation or
2417 energy efficiency measures. The board shall publish such request-for-
2418 proposal in one or more newspapers or periodicals, as selected by the
2419 board. Any facility generating not more than five megawatts shall be
2420 exempt from the request-for-proposal process described in this
2421 subsection. Notwithstanding the provisions of this subsection, the
2422 board, by a vote of two-thirds of the members present and voting, may
2423 determine that a request-for-proposal is unnecessary for a specific
2424 application because the process is not likely to result in a reasonable
2425 alternative to the proposed facility. On or before December 1, 2007,
2426 after seeking public comment, the board shall approve additional
2427 criteria for considering whether a request-for-proposal process should
2428 not be required for a specific application. Any determination that a
2429 request-for-proposal is not required shall include the board's reasons
2430 for such determination.

2431 Sec. 565. Subdivision (2) of subsection (a) of section 16-50l of the
2432 general statutes is repealed and the following is substituted in lieu

2433 thereof (*Effective July 1, 2007*):

2434 (2) On or after December 1, 2004, the filing of an application
2435 pursuant to subdivision (1) of this subsection shall initiate the request-
2436 for-proposal process, except for an application for a facility described
2437 in subdivision ~~(4)~~, (5) or (6) of subsection (a) of section 16-50i.

2438 Sec. 566. Subsection (a) of section 16-50k of the general statutes is
2439 repealed and the following is substituted in lieu thereof (*Effective*
2440 *October 1, 2007*):

2441 (a) Except as provided in subsection (b) of section 16-50z, no person
2442 shall exercise any right of eminent domain in contemplation of,
2443 commence the preparation of the site for, [or] commence the
2444 construction or supplying of a facility, or commence any modification
2445 of a facility, that may, as determined by the council, have a substantial
2446 adverse environmental effect in the state without having first obtained
2447 a certificate of environmental compatibility and public need,
2448 hereinafter referred to as a "certificate", issued with respect to such
2449 facility or modification by the council. [, except] Certificates shall not
2450 be required for (1) fuel cells built within the state with a generating
2451 capacity of two hundred fifty kilowatts or less, or (2) fuel cells built
2452 elsewhere with a generating capacity of ten kilowatts or less. [which
2453 shall not require such certificate.] Any facility with respect to which a
2454 certificate is required shall thereafter be built, maintained and operated
2455 in conformity with such certificate and any terms, limitations or
2456 conditions contained therein. Notwithstanding the provisions of this
2457 chapter or title 16a, the council shall, in the exercise of its jurisdiction
2458 over the siting of generating facilities, approve by declaratory ruling
2459 [(1)] (A) the construction of a facility solely for the purpose of
2460 generating electricity, other than an electric generating facility that
2461 uses nuclear materials or coal as fuel, at a site where an electric
2462 generating facility operated prior to July 1, 2004, [(2)] (B) the
2463 construction or location of any fuel cell, unless the council finds a
2464 substantial adverse environmental effect, or of any customer-side
2465 distributed resources project or facility or grid-side distributed

resources project or facility with a capacity of not more than sixty-five megawatts, as long as such project meets air and water quality standards of the Department of Environmental Protection, and [(3)] (C) the siting of temporary generation solicited by the Department of Public Utility Control pursuant to section 16-19ss, as amended by this act.

Sec. 567. (*Effective July 1, 2007*) (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power, from time to time, to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate thirty million dollars.

(b) The proceeds of the sale of said bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by Connecticut Innovations, Incorporated, for the purpose of funding the net project costs, or the balance of any projects after applying any public or private financial incentives available, for any renewable energy or combined heat and power projects in state buildings. The funds shall be made available through the Renewable Energy Investment Fund, established pursuant to section 16-245n of the general statutes, as amended by this act. Eligible state buildings shall be Leadership in Energy and Environmental Design (LEED) certified or in the process of becoming LEED certified.

(c) All provisions of section 3-20 of the general statutes, or the exercise of any right or power granted thereby, which are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section, and temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with said section 3-20 and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of said bonds shall be

2499 authorized except upon a finding by the State Bond Commission that
2500 there has been filed with it a request for such authorization which is
2501 signed by or on behalf of the Secretary of the Office of Policy and
2502 Management and states such terms and conditions as said commission,
2503 in its discretion, may require. Said bonds issued pursuant to this
2504 section shall be general obligations of the state and the full faith and
2505 credit of the state of Connecticut are pledged for the payment of the
2506 principal of and interest on said bonds as the same become due, and
2507 accordingly and as part of the contract of the state with the holders of
2508 said bonds, appropriation of all amounts necessary for punctual
2509 payment of such principal and interest is hereby made, and the State
2510 Treasurer shall pay such principal and interest as the same become
2511 due.

2512 Sec. 568. (NEW) (*Effective from passage*) (a) The electric distribution
2513 companies shall conduct an energy and capacity resource assessment
2514 and develop a comprehensive plan for the procurement of energy
2515 resources, including, but not limited to, conventional and renewable
2516 generating facilities, energy efficiency, load management, demand
2517 response, combined heat and power facilities and distributed
2518 generation to meet the projected requirements of their customers in a
2519 manner that minimizes the cost of such resources to customers over
2520 time and maximizes consumer benefits consistent with the state's
2521 environmental goals and standards. On or before January 1, 2008, and
2522 every three years thereafter, the companies shall submit to the
2523 Connecticut Energy Advisory Board, established pursuant to section
2524 16a-3 of the general statutes, as amended by this act, an assessment of
2525 (1) the energy and capacity requirements of customers for the next
2526 three, five and ten years, (2) the impact of current and projected
2527 environmental standards, including, but not limited to, those related to
2528 greenhouse gas emissions and the federal Clean Air Act goals and how
2529 different resources could help achieve those standards and goals, (3)
2530 energy security and economic risks associated with potential energy
2531 resources, and (4) the estimated lifetime cost and availability of
2532 potential energy resources.

2533 (b) Resource needs shall first be met through all available energy
2534 efficiency and demand reduction resources that are cost effective,
2535 reliable and feasible. The plan shall specify (1) the total amount of
2536 energy and capacity resources needed to meet the requirements of all
2537 customers, (2) the extent to which demand side measures, including
2538 efficiency, conservation, demand response and load management can
2539 cost-effectively meet these needs, (3) needs for generating capacity and
2540 transmission and distribution improvements, (4) how the development
2541 of such resources will reduce and stabilize the costs of electricity to
2542 consumers, and (5) the manner in which each of the proposed
2543 resources should be procured, including the optimal contract periods
2544 for various resources.

2545 (c) The procurement plan shall consider: (1) Approaches to
2546 maximizing the impact of demand-side measures; (2) the extent to
2547 which generation needs can be met by renewable and combined heat
2548 and power facilities and by the impact of regional market incentives;
2549 (3) types and locations for generation that would optimize the
2550 generation portfolio within the state; (4) fuel types, diversity,
2551 availability, firmness of supply and security and environmental
2552 impacts thereof, including impacts on meeting the state's greenhouse
2553 gas emission goals; (5) reliability, peak load and energy forecasts,
2554 system contingencies and existing resource availabilities; (6) import
2555 limitations and the appropriate reliance on such imports; (7) if it is in
2556 the best interest of customers, how new resources could be integrated
2557 into the standard service and last-resort service provided pursuant to
2558 section 16-244c of the general statutes, as amended by this act; and (8)
2559 the impact of the plan on the costs of electric customers, including, but
2560 not limited to, effects on capacity and energy costs, rate stability and
2561 affordability for low-income customers.

2562 (d) The board, in consultation with the regional independent system
2563 operator and in-state generators, shall review and approve the
2564 proposed procurement plan as submitted not later than one hundred
2565 twenty days after receipt. For the purpose of reviewing the plan, the
2566 Commissioners of Transportation and Agriculture, or their respective

2567 designees, shall not participate. The companies shall provide any
2568 additional information requested by the board that is relevant to the
2569 consideration of the procurement plan. In the course of conducting
2570 such review, the board may retain the services of a third-party entity
2571 with experience in the area of energy procurement and may consult
2572 with the regional independent system operator. The board shall
2573 submit the reviewed plan, together with a statement of any unresolved
2574 issues, to the Department of Public Utility Control. The department
2575 shall consider the plan in an uncontested proceeding and shall provide
2576 an opportunity for interested parties to submit comments regarding
2577 the plan. Not later than one hundred twenty days after submission of
2578 the plan, the department shall approve, or modify and approve, the
2579 plan.

2580 Sec. 569. (NEW) (*Effective from passage*) (a) The Department of Public
2581 Utility Control shall implement the procurement plan established in
2582 section 568 of this act by (1) issuing requests for proposals to meet
2583 specified energy resource needs set forth in the plan or by directing the
2584 electric distribution companies to issue such requests for proposals, (2)
2585 directing the electric distribution companies to incorporate additional
2586 demand-side measures set forth in the plan into the comprehensive
2587 conservation and load management plan prepared pursuant to section
2588 16-245m of the general statutes for review by the Energy Conservation
2589 Management Board, (3) directing the distribution companies to submit
2590 proposals for specific transmission or distribution improvements or
2591 projects set forth in the plan, or (4) taking other actions within its
2592 authority to implement the plan.

2593 (b) Effective January 1, 2008, until the comprehensive plan is
2594 implemented by the department, the electric distribution companies
2595 shall include all available energy efficiency and demand reduction
2596 resources that are cost effective, reliable and feasible in the
2597 comprehensive conservation and load management plan prepared
2598 pursuant to section 16-245m of the general statutes for review by the
2599 Energy Conservation Management Board.

2600 Sec. 570. Section 16a-3 of the general statutes is repealed and the
2601 following is substituted in lieu thereof (*Effective from passage*):

2602 (a) There is established a Connecticut Energy Advisory Board
2603 consisting of [nine] sixteen members, including the Commissioner of
2604 Environmental Protection, [the chairperson of the Public Utilities
2605 Control Authority,] the Commissioner of Transportation, the
2606 Consumer Counsel, the Commissioner of Agriculture, and the
2607 Secretary of the Office of Policy and Management or their respective
2608 designees. The Governor shall appoint [one member] a representative
2609 of an environmental organization knowledgeable in energy efficiency
2610 programs, a representative of in-state generators, a representative of a
2611 consumer advocacy organization, a representative of a state-wide
2612 business association, a representative of a chamber of commerce, a
2613 representative of a state-wide manufacturing association, a
2614 representative of low-income ratepayers and a representative of state
2615 residents, in general, with expertise in energy issues. The Governor,
2616 the president pro tempore of the Senate [shall appoint one member,]
2617 and the speaker of the House of Representatives shall each appoint one
2618 member [, all] of the public, each of whom shall be considered an
2619 expert in electricity, generation, procurement or conservation
2620 programs and shall serve in accordance with section 4-1a. No
2621 appointee may be employed by, or a consultant of, a public service
2622 company, as defined in section 16-1, as amended by this act, or an
2623 electric supplier, as defined in section 16-1, as amended by this act, or
2624 an affiliate or subsidiary of such company or supplier.

2625 (b) The board shall, (1) prepare an annual report pursuant to section
2626 16a-7a; (2) represent the state in regional energy system planning
2627 processes conducted by the regional independent system operator, as
2628 defined in section 16-1, as amended by this act; (3) encourage
2629 representatives from the municipalities that are affected by a proposed
2630 project of regional significance to participate in regional energy system
2631 planning processes conducted by the regional independent system
2632 operator; (4) issue a request-for-proposal in accordance with
2633 subsections (b) and (c) of section 16a-7c; (5) evaluate the proposals

2634 received pursuant to the request-for-proposal in accordance with
2635 subsection (f) of section 16a-7c; (6) participate in a forecast proceeding
2636 conducted pursuant to subsection (a) of section 16-50r; [and] (7)
2637 participate in a life-cycle proceeding conducted pursuant to subsection
2638 (b) of section 16-50r; and (8) review the procurement plan submitted
2639 by the electric distribution companies pursuant to section 568 of this
2640 act.

2641 (c) The board shall elect a chairman and a vice-chairman from
2642 among its members and shall adopt such rules of procedure as are
2643 necessary to carry out its functions.

2644 (d) The board shall convene its first meeting not later than
2645 September 1, 2003. A quorum of the board shall consist of two-thirds
2646 of the members currently serving on the board.

2647 (e) The board shall employ such staff as is required for the proper
2648 discharge of its duties. The board shall also retain any third-party
2649 consultants it deems necessary to accomplish the goals set forth in
2650 subsection (b) of this section. The board shall annually submit to the
2651 Department of Public Utility Control a proposal regarding the level of
2652 funding required for the discharge of its duties, which proposal shall
2653 be approved by the department either as submitted or as modified by
2654 the department.

2655 (f) The Connecticut Energy Advisory Board shall be within the
2656 Office of Policy and Management for administrative purposes only.

2657 Sec. 571. Section 1 of public act 05-2 of the October 25 special session
2658 is repealed and the following is substituted in lieu thereof (*Effective July*
2659 *1, 2007*):

2660 Notwithstanding the provisions of sections 4-28b and 16a-41a of the
2661 general statutes, as amended by this act, the Commissioner of Social
2662 Services shall [amend the adopted] adopt a low income home energy
2663 assistance program block grant allocation plan for the [purpose of
2664 modifying the 2005/2006] 2007/2008 Connecticut energy assistance

2665 program state plan in the following manner: (1) To increase the basic
2666 benefit provided to all eligible households, including eligible
2667 households whose heat is included in their rent, over the benefit
2668 provided for the 2005/2006 plan, prior to the amendment of said plan,
2669 by two hundred dollars, (2) to fund, for the fiscal year ending June 30,
2670 2008, the contingency heating assistance program under the
2671 Connecticut energy assistance program to provide a three hundred
2672 dollar basic benefit to eligible households, as defined in the
2673 Connecticut energy assistance program state plan, whose gross annual
2674 income is not more than sixty per cent of the median state income by
2675 household size, and an additional two hundred dollar crisis assistance
2676 benefit for such households who have exhausted their basic benefit
2677 and are unable to secure primary heat, causing a life threatening
2678 situation, (3) to increase the number of households weatherized
2679 pursuant to the Connecticut energy assistance program, and (4) to
2680 increase the number of households receiving home heating equipment
2681 tune-ups and home energy efficiency measures pursuant to the home
2682 energy assistance and reimbursements for tune-ups on heating
2683 equipment grant program as administered pursuant to subsection (c)
2684 of section 2 of [this act] public act 05-2 of the October 25 special
2685 session, as amended by section 1 of public act 05-4 of the October 25
2686 special session.

2687 Sec. 572. Section 16a-41a of the general statutes is repealed and the
2688 following is substituted in lieu thereof (*Effective July 1, 2007*):

2689 (a) The Commissioner of Social Services shall submit to the joint
2690 standing committees of the General Assembly having cognizance of
2691 energy planning and activities, appropriations, and human services the
2692 following on the implementation of the block grant program
2693 authorized under the Low-Income Home Energy Assistance Act of
2694 1981, as amended:

2695 (1) Not later than August first, annually, a Connecticut energy
2696 assistance program annual plan which establishes guidelines for the
2697 use of funds authorized under the Low-Income Home Energy

2698 Assistance Act of 1981, as amended, and includes the following:

2699 (A) Criteria for determining which households are to receive
2700 emergency and weatherization assistance;

2701 (B) A description of systems used to ensure referrals to other energy
2702 assistance programs and the taking of simultaneous applications, as
2703 required under section 16a-41;

2704 (C) A description of outreach efforts;

2705 (D) Estimates of the total number of households eligible for
2706 assistance under the program and the number of households in which
2707 one or more elderly or physically disabled individuals eligible for
2708 assistance reside; and

2709 (E) Design of a basic grant for eligible households that does not
2710 discriminate against such households based on the type of energy used
2711 for heating;

2712 (2) Not later than January thirtieth, annually, a report covering the
2713 preceding months of the program year, including:

2714 (A) In each community action agency geographic area and
2715 Department of Social Services region, the number of fuel assistance
2716 applications filed, approved and denied, the number of emergency
2717 assistance requests made, approved and denied and the number of
2718 households provided weatherization assistance;

2719 (B) In each such area and district, the total amount of fuel,
2720 emergency and weatherization assistance, itemized by such type of
2721 assistance, and total expenditures to date; and

2722 (C) For each state-wide office of each state agency administering the
2723 program, each community action agency and each Department of
2724 Social Services region, administrative expenses under the program, by
2725 line item, and an estimate of outreach expenditures; and

2726 (3) Not later than November first, annually, a report covering the
2727 preceding twelve calendar months, including:

2728 (A) In each community action agency geographic area and
2729 Department of Social Services region, (i) seasonal totals for the
2730 categories of data submitted under subdivision (1) of this subsection,
2731 (ii) the number of households receiving fuel assistance in which elderly
2732 or physically disabled individuals reside, and (iii) the average
2733 combined benefit level of fuel, emergency and renter assistance;

2734 (B) Types of weatherization assistance provided;

2735 (C) Percentage of weatherization assistance provided to tenants;

2736 (D) The number of homeowners and tenants whose heat or total
2737 energy costs are not included in their rent receiving fuel and
2738 emergency assistance under the program by benefit level;

2739 (E) The number of homeowners and tenants whose heat is included
2740 in their rent and who are receiving assistance, by benefit level; and

2741 (F) The number of households receiving assistance, by energy type
2742 and total expenditures for each energy type.

2743 (b) The Commissioner of Social Services shall implement a program
2744 to purchase [number two home heating oil at a reduced rate for low-
2745 income households participating in the Connecticut energy assistance
2746 program and the state-appropriated fuel assistance program. Each
2747 agency administering a fuel assistance program shall submit reports,
2748 as requested by the commissioner, concerning pricing information
2749 from vendors of number two home heating oil participating in the
2750 program. Such information shall include, but not be limited to, a
2751 vendor's regular retail price per gallon of number two home heating
2752 oil, the reduced price per gallon paid by the state for the heating oil,
2753 the number of gallons delivered to the state under the program and the
2754 total savings under the program due to the purchase of number two
2755 home heating oil at a reduced rate] deliverable fuel for low-income

2756 households participating in the Connecticut energy assistance program
2757 and the state-appropriated fuel assistance program. The commissioner
2758 shall ensure that all fuel assistance recipients are treated the same as
2759 any other similarly situated customer and that no fuel vendor
2760 discriminates against fuel assistance program recipients who are under
2761 the vendor's standard payment, delivery, service or other similar
2762 plans. The commissioner shall take advantage of programs offered by
2763 fuel vendors that reduce the cost of the fuel purchased, including, but
2764 not limited to, fixed price, capped price, prepurchase or summer-fill
2765 programs that reduce program cost and that make the maximum use
2766 of program revenues. The commissioner shall ensure that all agencies
2767 administering the fuel assistance program shall make payments to
2768 program fuel vendors in advance of the delivery of energy where
2769 vendor provided price-management strategies require payments in
2770 advance.

2771 (c) Each community action agency administering a fuel assistance
2772 program shall submit reports, as requested by the Commissioner of
2773 Social Services, concerning pricing information from vendors of
2774 deliverable fuel participating in the program. Such information shall
2775 include, but not be limited to, the state-wide or regional retail price per
2776 unit of deliverable fuel, the reduced price per unit paid by the state for
2777 the deliverable fuel in utilizing price management strategies offered by
2778 program vendors for all consumers, the number of units delivered to
2779 the state under the program and the total savings under the program
2780 due to the purchase of deliverable fuel utilizing price-management
2781 strategies offered by program vendors for all consumers.

2782 (d) Each community action agency administering a fuel assistance
2783 program shall begin accepting applications for the program not later
2784 than September first of each year.

2785 Sec. 573. Section 16-262c of the general statutes is repealed and the
2786 following is substituted in lieu thereof (*Effective October 1, 2007*):

2787 (a) Notwithstanding any other provision of the general statutes no

2788 electric, electric distribution, gas, telephone or water company, no
2789 electric supplier or certified telecommunications provider, and no
2790 municipal utility furnishing electric, gas, telephone or water service
2791 shall cause cessation of any such service by reason of delinquency in
2792 payment for such service (1) on any Friday, Saturday, Sunday, legal
2793 holiday or day before any legal holiday, provided such a company,
2794 electric supplier, certified telecommunications provider or municipal
2795 utility may cause cessation of such service to a nonresidential account
2796 on a Friday which is not a legal holiday or the day before a legal
2797 holiday when the business offices of the company, electric supplier,
2798 certified telecommunications provider or municipal utility are open to
2799 the public the succeeding Saturday, (2) at any time during which the
2800 business offices of said company, electric supplier, certified
2801 telecommunications provider or municipal utility are not open to the
2802 public, or (3) within one hour before the closing of the business offices
2803 of said company, electric supplier or municipal utility.

2804 (b) (1) From November first to [April fifteenth] May first, inclusive,
2805 no electric or electric distribution company, as defined in section 16-1,
2806 as amended by this act, no electric supplier and no municipal utility
2807 furnishing electricity shall terminate or refuse to reinstate residential
2808 electric service in hardship cases where the customer lacks the
2809 financial resources to pay his or her entire account. From November
2810 first to [April fifteenth] May first, inclusive, no gas company and no
2811 municipal utility furnishing gas shall terminate or refuse to reinstate
2812 residential gas service in hardship cases where the customer uses such
2813 gas for heat and lacks the financial resources to pay his or her entire
2814 account, except a gas company that, between [April sixteenth] May
2815 second and October thirty-first, terminated gas service to a residential
2816 customer who uses gas for heat and who, during the previous period
2817 of November first to [April fifteenth] May first, had gas service
2818 maintained because of hardship status, may refuse to reinstate the gas
2819 service from November first to [April fifteenth] May first, inclusive,
2820 only if the customer has failed to pay, since the preceding November
2821 first, the lesser of: (A) Twenty per cent of the outstanding principal

2822 balance owed the gas company as of the date of termination, (B) one
2823 hundred dollars, or (C) the minimum payments due under the
2824 customer's amortization agreement. Notwithstanding any other
2825 provision of the general statutes to the contrary, no electric, electric
2826 distribution or gas company, no electric supplier and no municipal
2827 utility furnishing electricity or gas shall terminate or refuse to reinstate
2828 residential electric or gas service where the customer lacks the financial
2829 resources to pay his or her entire account and for which customer or a
2830 member of the customer's household the termination or failure to
2831 reinstate such service would create a life-threatening situation.

2832 (2) During any period in which a residential customer is subject to
2833 termination, an electric, electric distribution or gas company, an
2834 electric supplier or a municipal utility furnishing electricity or gas shall
2835 provide such residential customer whose account is delinquent an
2836 opportunity to enter into a reasonable amortization agreement with
2837 such company, electric supplier or utility to pay such delinquent
2838 account and to avoid termination of service. Such amortization
2839 agreement shall allow such customer adequate opportunity to apply
2840 for and receive the benefits of any available energy assistance
2841 program. An amortization agreement shall be subject to amendment
2842 on customer request if there is a change in the customer's financial
2843 circumstances.

2844 (3) As used in this section, (A) "household income" means the
2845 combined income over a twelve-month period of the customer and all
2846 adults, except children of the customer, who are and have been
2847 members of the household for six months or more, and (B) "hardship
2848 case" includes, but is not limited to: (i) A customer receiving local, state
2849 or federal public assistance; (ii) a customer whose sole source of
2850 financial support is Social Security, Veterans' Administration or
2851 unemployment compensation benefits; (iii) a customer who is head of
2852 the household and is unemployed, and the household income is less
2853 than three hundred per cent of the poverty level determined by the
2854 federal government; (iv) a customer who is seriously ill or who has a
2855 household member who is seriously ill; (v) a customer whose income

2856 falls below one hundred twenty-five per cent of the poverty level
2857 determined by the federal government; and (vi) a customer whose
2858 circumstances threaten a deprivation of food and the necessities of life
2859 for himself or dependent children if payment of a delinquent bill is
2860 required.

2861 (4) In order for a residential customer of a gas or electric distribution
2862 company using gas or electricity for heat to be eligible to have any
2863 moneys due and owing deducted from the customer's delinquent
2864 account pursuant to this subdivision, the company furnishing gas or
2865 electricity shall require that the customer (A) apply and be eligible for
2866 benefits available under the Connecticut energy assistance program or
2867 state appropriated fuel assistance program; (B) authorize the company
2868 to send a copy of the customer's monthly bill directly to any energy
2869 assistance agency for payment; (C) enter into and comply with an
2870 amortization agreement, which agreement is consistent with decisions
2871 and policies of the Department of Public Utility Control. Such an
2872 amortization agreement shall reduce a customer's payment by the
2873 amount of the benefits reasonably anticipated from the Connecticut
2874 energy assistance program, state appropriated fuel assistance program
2875 or other energy assistance sources. Unless the customer requests
2876 otherwise, the company shall budget a customer's payments over a
2877 twelve-month period with an affordable increment to be applied to
2878 any arrearage, provided such payment plan will not result in loss of
2879 any energy assistance benefits to the customer. If a customer
2880 authorizes the company to send a copy of his monthly bill directly to
2881 any energy assistance agency for payment, the energy assistance
2882 agency shall make payments directly to the company. If, on April
2883 thirtieth, a customer has been in compliance with the requirements of
2884 subparagraphs (A) to (C), inclusive, of this subdivision, during the
2885 period starting on the preceding November first, or from such time as
2886 the customer's account becomes delinquent, the company shall deduct
2887 from such customer's delinquent account an additional amount equal
2888 to the amount of money paid by the customer between the preceding
2889 November first and April thirtieth and paid on behalf of the customer

2890 through the Connecticut energy assistance program and state
2891 appropriated fuel assistance program. Any customer in compliance
2892 with the requirements of subparagraphs (A) to (C), inclusive, of this
2893 subdivision, on April thirtieth who continues to comply with an
2894 amortization agreement through the succeeding October thirty-first,
2895 shall also have an amount equal to the amount paid pursuant to such
2896 agreement and any amount paid on behalf of such customer between
2897 May first and the succeeding October thirty-first deducted from the
2898 customer's delinquent account. In no event shall the deduction of any
2899 amounts pursuant to this subdivision result in a credit balance to the
2900 customer's account. No customer shall be denied the benefits of this
2901 subdivision due to an error by the company. The Department of Public
2902 Utility Control shall allow the amounts deducted from the customer's
2903 account pursuant to the implementation plan, described in subdivision
2904 (5) of this subsection, to be recovered by the company in its rates as an
2905 operating expense, pursuant to said implementation plan. If the
2906 customer fails to comply with the terms of the amortization agreement
2907 or any decision of the department rendered in lieu of such agreement
2908 and the requirements of subparagraphs (A) to (C), inclusive, of this
2909 subdivision, the company may terminate service to the customer,
2910 pursuant to all applicable regulations, provided such termination shall
2911 not occur between November first and April fifteenth.

2912 (5) Each gas and electric distribution company shall submit to the
2913 Department of Public Utility Control annually, on or before July first,
2914 an implementation plan which shall include information concerning
2915 amortization agreements, counseling, reinstatement of eligibility, rate
2916 impacts and any other information deemed relevant by the
2917 department. The Department of Public Utility Control may, in
2918 consultation with the Office of Policy and Management, approve or
2919 modify such plan within ninety days of receipt of the plan. If the
2920 department does not take any action on such plan within ninety days
2921 of its receipt, the plan shall automatically take effect at the end of the
2922 ninety-day period, provided the department may extend such period
2923 for an additional thirty days by notifying the company before the end

2924 of the ninety-day period. Any amount recovered by a company in its
2925 rates pursuant to this subsection shall not include any amount
2926 approved by the Department of Public Utility Control as an
2927 uncollectible expense. The department may deny all or part of the
2928 recovery required by this subsection if it determines that the company
2929 seeking recovery has been imprudent, inefficient or acting in violation
2930 of statutes or regulations regarding amortization agreements.

2931 (6) On or after January 1, 1993, the Department of Public Utility
2932 Control may require gas companies to expand the provisions of
2933 subdivisions (4) and (5) of this subsection to all hardship customers.
2934 Any such requirement shall not be effective until November 1, 1993.

2935 (7) (A) All electric, electric distribution and gas companies, electric
2936 suppliers and municipal utilities furnishing electricity or gas shall
2937 collaborate in developing, subject to approval by the Department of
2938 Public Utility Control, standard provisions for the notice of
2939 delinquency and impending termination under subsection (a) of
2940 section 16-262d. Each such company and utility shall place on the front
2941 of such notice a provision that the company, electric supplier or utility
2942 shall not effect termination of service to a residential dwelling for
2943 nonpayment of disputed bills during the pendency of any complaint.
2944 In addition, the notice shall state that the customer must pay current
2945 and undisputed bill amounts during the pendency of the complaint.
2946 (B) At the beginning of any discussion with a customer concerning a
2947 reasonable amortization agreement, any such company or utility shall
2948 inform the customer (i) of the availability of a process for resolving
2949 disputes over what constitutes a reasonable amortization agreement,
2950 (ii) that the company, electric supplier or utility will refer such a
2951 dispute to one of its review officers as the first step in attempting to
2952 resolve the dispute, and (iii) that the company, electric supplier or
2953 utility shall not effect termination of service to a residential dwelling
2954 for nonpayment of a delinquent account during the pendency of any
2955 complaint, investigation, hearing or appeal initiated by the customer,
2956 unless the customer fails to pay undisputed bills, or undisputed
2957 portions of bills, for service received during such period. (C) Each such

2958 company, electric supplier and utility shall inform and counsel all
2959 customers who are hardship cases as to the availability of all public
2960 and private energy conservation programs, including programs
2961 sponsored or subsidized by such companies and utilities, eligibility
2962 criteria, where to apply, and the circumstances under which such
2963 programs are available without cost.

2964 (8) The Department of Public Utility Control shall adopt regulations
2965 in accordance with chapter 54 to carry out the provisions of this
2966 subsection. Such regulations shall include, but not be limited to,
2967 criteria for determining hardship cases and for reasonable
2968 amortization agreements, including appeal of such agreements, for
2969 categories of customers. Such regulations may include the
2970 establishment of a reasonable rate of interest which a company may
2971 charge on the unpaid balance of a customer's delinquent bill and a
2972 description of the relationship and responsibilities of electric suppliers
2973 to customers.

2974 (c) Each electric, electric distribution and gas company, electric
2975 supplier and municipal utility shall, not later than December first,
2976 annually, submit a report to the department and the General Assembly
2977 indicating (1) the number of customers in each of the following
2978 categories and the total delinquent balances for such customers as of
2979 the preceding April fifteenth: (A) Customers who are hardship cases
2980 and (i) who made arrangements for reasonable amortization
2981 agreements, (ii) who did not make such arrangements, and (B)
2982 customers who are nonhardship cases and who made arrangements
2983 for reasonable amortization, (2) (A) the number of heating customers
2984 receiving energy assistance during the preceding heating season and
2985 the total amount of such assistance, and (B) the total balance of the
2986 accounts of such customers after all energy assistance is applied to the
2987 accounts, (3) the number of hardship cases reinstated between
2988 November first of the preceding year and [April fifteenth] May first of
2989 the same year, the number of hardship cases terminated between
2990 [April fifteenth] May first of the same year and November first and the
2991 number of hardship cases reinstated during each month from [April]

2992 May to November, inclusive, of the same year, (4) the number of
2993 reasonable amortization agreements executed and the number
2994 breached during the same year by (A) hardship cases, and (B)
2995 nonhardship cases, and (5) the number of accounts of (A) hardship
2996 cases, and (B) nonhardship cases for which part or all of the
2997 outstanding balance is written off as uncollectible during the
2998 preceding year and the total amount of such uncollectibles.

2999 (d) Nothing in this section shall (1) prohibit a public service
3000 company, electric supplier or municipal utility from terminating
3001 residential utility service upon request of the customer or in
3002 accordance with section 16-262d upon default by the customer on an
3003 amortization agreement or collecting delinquent accounts through
3004 legal processes, including the processes authorized by section 16-262f,
3005 or (2) relieve such company, electric supplier or municipal utility of its
3006 responsibilities set forth in sections 16-262d and 16-262e to occupants
3007 of residential dwellings or, with respect to a public service company or
3008 electric supplier, the responsibilities set forth in section 19a-109.

3009 (e) No provision of the Freedom of Information Act, as defined in
3010 section 1-200, shall be construed to require or permit a municipal
3011 utility furnishing electric, gas or water service, a municipality
3012 furnishing water or sewer service, a district established by special act
3013 or pursuant to chapter 105 and furnishing water or sewer service or a
3014 regional authority established by special act to furnish water or sewer
3015 service to disclose records under the Freedom of Information Act, as
3016 defined in section 1-200, which identify or could lead to identification
3017 of the utility usage or billing information of individual customers, to
3018 the extent such disclosure would constitute an invasion of privacy.

3019 (f) If an electric supplier suffers a loss of revenue by operation of
3020 this section, the supplier may make a claim for such revenue to the
3021 department. The electric distribution company shall reimburse the
3022 electric supplier for such losses found to be reasonable by the
3023 department at the lower of (1) the price of the contract between the
3024 supplier and the customer, or (2) the electric distribution company's

3025 price to customers for default service, as determined by the
3026 department. The electric distribution company may recover such
3027 reimbursement, along with transaction costs, through the systems
3028 benefits charge.

3029 Sec. 574. Section 16a-41h of the general statutes is repealed and the
3030 following is substituted in lieu thereof (*Effective from passage*):

3031 (a) (1) Each electric [and] distribution company, gas company [, as
3032 defined in section 16-1, having at least seventy-five thousand
3033 customers] and municipal utility furnishing electric or gas service,
3034 shall include in its monthly bills a request to each customer to add a
3035 [one-dollar] donation in an amount designated by the customer to the
3036 bill payment. Such company shall provide to all of its customers the
3037 opportunity to donate one dollar, two dollars, three dollars or another
3038 amount on each bill provided to a customer either through the mail or
3039 electronically. Such designation shall be made available and included
3040 where customers are either electronically billed or bill payment is
3041 handled electronically. The opportunity to donate one dollar, two
3042 dollars, three dollars or another amount shall be included on the bill in
3043 such a way that facilitates such donations.

3044 (2) Operation Fuel, Incorporated, a state-wide nonprofit
3045 organization designed to respond to people within the state who are in
3046 financial crisis and need emergency energy assistance, shall provide
3047 fundraising inserts and remittance envelopes to retail dealers of fuel oil
3048 that volunteer to include the inserts and envelopes in their customers'
3049 bills for one or more billing cycles each year. Such retail dealers of fuel
3050 oil shall inform Operation Fuel, Incorporated, as to the number of
3051 inserts and envelopes needed to conduct such a mailing.

3052 (3) Each electric, gas or fuel oil company shall transmit all such
3053 donations received each month, as well as their own contributions, if
3054 any, to Operation Fuel, [Inc., a state-wide nonprofit organization
3055 designed to respond to people within the state who are in financial
3056 crisis and need emergency energy assistance. Donations] Incorporated.

3057 Operation Fuel, Incorporated shall [be distributed] distribute
3058 donations to nonprofit social services agencies and private fuel banks
3059 in accordance with guidelines established by the board of directors of
3060 Operation Fuel, Inc., provided such funds shall be distributed on a
3061 priority basis to low-income elderly and working poor households
3062 which are not eligible for public assistance or state-administered
3063 general assistance but are faced with a financial crisis and are unable to
3064 make timely payments on [winter] fuel, electricity or gas bills. Such
3065 companies shall coordinate their promotions of this program, holding
3066 promotions during the same month and using similar formats.

3067 (b) If Operation Fuel, Inc. ceases to exist, such electric and gas
3068 companies shall jointly establish a nonprofit, tax-exempt corporation
3069 for the purpose of holding in trust and distributing such customer
3070 donations. The board of directors of such corporation shall consist of
3071 eleven members appointed as follows: Four by the companies, each of
3072 which shall appoint one member; one by the president pro tempore of
3073 the Senate; one by the minority leader of the Senate; one by the speaker
3074 of the House of Representatives; one by the minority leader of the
3075 House of Representatives; and three by the Governor. The board shall
3076 distribute such funds to nonprofit organizations and social service
3077 agencies which provide emergency energy or fuel assistance. The
3078 board shall target available funding on a priority basis to low-income
3079 elderly and working poor households which are not eligible for public
3080 assistance or state-administered general assistance but are faced with a
3081 financial crisis and are unable to make timely payments on [winter]
3082 fuel, electricity or gas bills.

3083 (c) Not later than the first of September annually, Operation Fuel,
3084 Inc. shall submit to the General Assembly a report on the
3085 implementation of this section. Such report shall include, (1) a
3086 summary of the effectiveness of the program, (2) the total amount of
3087 the donations received by electric and gas companies and transmitted
3088 to Operation Fuel, Inc. under subsection (b) of this section, and (3) an
3089 accounting of the distribution of such funds by Operation Fuel, Inc.
3090 indicating the organizations and agencies receiving funds, the amounts

3091 received and distributed by each such organization and agency and
3092 the number of households each assisted. On and after October 1, 1996,
3093 the report shall be submitted to the joint standing committee of the
3094 General Assembly having cognizance of matters relating to energy
3095 and, upon request, to any member of the General Assembly. A
3096 summary of the report shall be submitted to each member of the
3097 General Assembly if the summary is two pages or less and a
3098 notification of the report shall be submitted to each member if the
3099 summary is more than two pages. Submission shall be by mailing the
3100 report, summary or notification to the legislative address of each
3101 member of the committee or the General Assembly, as applicable.

3102 Sec. 575. Section 20-340 of the general statutes is repealed and the
3103 following is substituted in lieu thereof (*Effective from passage*):

3104 The provisions of this chapter shall not apply to: (1) Persons
3105 employed by any federal, state or municipal agency; (2) employees of
3106 any public service company regulated by the Department of Public
3107 Utility Control or of any corporate affiliate of any such company when
3108 the work performed by such affiliate is on behalf of a public service
3109 company, but in either case only if the work performed is in
3110 connection with the rendition of public utility service, including the
3111 installation or maintenance of wire for community antenna television
3112 service, or is in connection with the installation or maintenance of wire
3113 or telephone sets for single-line telephone service located inside the
3114 premises of a consumer; (3) employees of any municipal corporation
3115 specially chartered by this state; (4) employees of any contractor while
3116 such contractor is performing electrical-line or emergency work for
3117 any public service company; (5) persons engaged in the installation,
3118 maintenance, repair and service of electrical or other appliances of a
3119 size customarily used for domestic use where such installation
3120 commences at an outlet receptacle or connection previously installed
3121 by persons licensed to do the same and maintenance, repair and
3122 service is confined to the appliance itself and its internal operation; (6)
3123 employees of industrial firms whose main duties concern the
3124 maintenance of the electrical work, plumbing and piping work, solar

3125 thermal work, heating, piping, cooling work, sheet metal work,
3126 elevator installation, repair and maintenance work, automotive glass
3127 work or flat glass work of such firm on its own premises or on
3128 premises leased by it for its own use; (7) employees of industrial firms
3129 when such employees' main duties concern the fabrication of glass
3130 products or electrical, plumbing and piping, fire protection sprinkler
3131 systems, solar, heating, piping, cooling, chemical piping, sheet metal or
3132 elevator installation, repair and maintenance equipment used in the
3133 production of goods sold by industrial firms, except for products,
3134 electrical, plumbing and piping systems and repair and maintenance
3135 equipment used directly in the production of a product for human
3136 consumption; (8) persons performing work necessary to the
3137 manufacture or repair of any apparatus, appliances, fixtures,
3138 equipment or devices produced by it for sale or lease; (9) employees of
3139 stage and theatrical companies performing the operation, installation
3140 and maintenance of electrical equipment if such installation
3141 commences at an outlet receptacle or connection previously installed
3142 by persons licensed to make such installation; (10) employees of
3143 carnivals, circuses or similar transient amusement shows who install
3144 electrical work, provided such installation shall be subject to the
3145 approval of the State Fire Marshal prior to use as otherwise provided
3146 by law and shall comply with applicable municipal ordinances and
3147 regulations; (11) persons engaged in the installation, maintenance,
3148 repair and service of glass or electrical, plumbing, fire protection
3149 sprinkler systems, solar, heating, piping, cooling and sheet metal
3150 equipment in and about single-family residences owned and occupied
3151 or to be occupied by such persons; provided any such installation,
3152 maintenance and repair shall be subject to inspection and approval by
3153 the building official of the municipality in which such residence is
3154 located and shall conform to the requirements of the State Building
3155 Code; (12) persons who install, maintain or repair glass in a motor
3156 vehicle owned or leased by such persons; (13) persons or entities
3157 holding themselves out to be retail sellers of glass products, but not
3158 such persons or entities that also engage in automotive glass work or
3159 flat glass work; (14) persons who install preglazed or preassembled

3160 windows or doors in residential or commercial buildings; (15) persons
3161 registered under chapter 400 who install safety-backed mirror
3162 products or repair or replace flat glass in sizes not greater than thirty
3163 square feet in residential buildings; [and] (16) sheet metal work
3164 performed in residential buildings consisting of six units or less by
3165 new home construction contractors registered pursuant to chapter
3166 399a, by home improvement contractors registered pursuant to chapter
3167 400 or by persons licensed pursuant to this chapter, when such work is
3168 limited to exhaust systems installed for hoods and fans in kitchens and
3169 baths, clothes dryer exhaust systems, radon vent systems, fireplaces,
3170 fireplace flues, masonry chimneys or prefabricated metal chimneys
3171 rated by the Underwriter's Laboratory or installation of stand-alone
3172 appliances including wood, pellet or other stand-alone stoves that are
3173 installed in residential buildings by such contractors or persons; and
3174 (17) employees of or any contractor employed by and under the
3175 direction of a properly licensed solar contractor, performing work
3176 limited to the hoisting, placement and anchoring of solar collectors,
3177 photovoltaic panels, towers or turbines.

3178 Sec. 576. (*Effective from passage*) Notwithstanding the provisions of
3179 title 22a of the general statutes, the Department of Environmental
3180 Protection shall review any permit applications filed on or after July 1,
3181 2007, and not later than January 1, 2010, that are necessary for the
3182 installation of distributed resources, as defined in section 16-1 of the
3183 general statutes, as amended by this act, including cogeneration
3184 systems that utilize fossil fuels as the primary fuel source and issue a
3185 final decision not later than one hundred twenty days after the
3186 application has been submitted and has satisfied all administrative
3187 requirements.

3188 Sec. 577. (NEW) (*Effective from passage*) On or before September 1,
3189 2007, the Commissioner of Public Utility Control and the
3190 Commissioner of Environmental Protection shall establish
3191 coordinating protocols within a memorandum of understanding for air
3192 emission permit provisions related to operating emergency generation
3193 dispatch. Not later than February 1, 2008, and upon any modification

3194 to such memorandum of understanding, said commissioners shall
3195 report the details of such memorandum of understanding to the joint
3196 standing committees of the General Assembly having cognizance of
3197 matters relating to energy and the environment.

3198 Sec. 578. Subsection (e) of section 16-2 of the general statutes is
3199 repealed and the following is substituted in lieu thereof (*Effective*
3200 *October 1, 2007*):

3201 (e) To insure the highest standard of public utility regulation, on
3202 and after July 1, 1997, at least three of the commissioners of the
3203 authority shall have education or training and three or more years of
3204 experience in one or more of the following fields: Economics,
3205 engineering, law, accounting, finance, utility regulation, public or
3206 government administration, consumer advocacy, business
3207 management, and environmental management. On and after July 1,
3208 1997, at least three of these fields shall be represented on the authority
3209 by individual commissioners at all times. Any time a commissioner is
3210 newly appointed, at least one of the commissioners shall have
3211 experience in utility customer advocacy.

3212 Sec. 579. (*Effective July 1, 2007*) Not later than January 1, 2008, the
3213 Connecticut Energy Advisory Board shall conduct a study to develop
3214 recommendations on how to (1) coordinate and integrate the state's
3215 energy entities; (2) achieve the goals of (A) the Regional Greenhouse
3216 Gas Initiative, and (B) the state, with regard to the reduction of
3217 emissions of greenhouse gas, as provided by section 22a-200a of the
3218 general statutes; and (3) promote indigenous alternative fuel resources.
3219 The board shall submit a report containing its recommendations,
3220 including recommendations for legislation, to the joint standing
3221 committee of the General Assembly having cognizance of matters
3222 relating to energy and technology not later than January 1, 2009.

3223 Sec. 580. (*Effective from passage*) (a) Not later than July 1, 2007, the
3224 Connecticut Energy Advisory Board shall conduct a study on the
3225 efficacy, innovativeness and customer focus on electric conservation

3226 programs. The board shall hold a public hearing on such matters. In
3227 the study, the board shall investigate the options of (1) selecting a
3228 state-wide provider of conservation programs through a competitive
3229 process, which shall be open to electric distribution companies, the
3230 Connecticut Municipal Electrical Energy Cooperative and other
3231 entities; (2) retaining the current delivery system for conservation
3232 programs; and (3) having a nonprofit organization provide the
3233 conservation programs.

3234 (b) Not later than October 1, 2007, the Connecticut Energy Advisory
3235 Board shall conduct a study of the effectiveness of the Renewable
3236 Energy Investment Fund. The board shall hold a public hearing on
3237 such matters. Such study shall include, but not be limited to, (1) the
3238 selection of clean energy production projects and rates of success, (2)
3239 the actual megawatts of renewable power in operation in this state
3240 funded by Renewable Energy Investment Fund programs, (3) the
3241 efficacy of Renewable Energy Investment Fund technology
3242 commercialization plans and strategies, (4) the cost and cost trends of
3243 procuring clean energy options, and (5) overall program cost-
3244 effectiveness.

3245 (c) The board shall submit a report containing its findings to the
3246 joint standing committee of the General Assembly having cognizance
3247 of matters relating to energy and technology not later than February 1,
3248 2008.

3249 Sec. 581. (*Effective October 1, 2007*) Not later than January 1, 2009, the
3250 Department of Public Utility Control shall study (A) the efficacy and
3251 rate impact of last resort service provided pursuant to subsection (e) of
3252 section 16-244c of the general statutes, as amended by this act,
3253 including, but not limited to, the service's effect on the ability of this
3254 service to meet the needs of commercial and industrial customers and
3255 the development of a competitive electric supply marketplace with
3256 competitive suppliers and products, and (B) the efficacy and rate
3257 impact of standard service pursuant to subsection (c) of section 16-244c
3258 of the general statutes, as amended by this act.

3259 Sec. 582. (*Effective from passage*) Not later than September 1, 2007, the
3260 Department of Public Utility Control shall conduct a contested case
3261 proceeding to determine how and whether to bid competitively for the
3262 aggregation and procurement of contracts for the customers receiving
3263 standard service pursuant to section 16-244c of the general statutes, as
3264 amended by this act. The department's decision shall be based on the
3265 standards set forth in section 568 of this act.

3266 Sec. 583. Subsection (j) of section 16-19b of the general statutes is
3267 repealed and the following is substituted in lieu thereof (*Effective July*
3268 *1, 2007*):

3269 (j) Any purchased gas adjustment clause or energy adjustment
3270 clause approved by the department may include a provision designed
3271 to allow the electric or gas company to charge or reimburse the
3272 customer for any under-recovery or over-recovery of overhead and
3273 fixed costs due solely to the deviation of actual retail sales of electricity
3274 or gas from projected retail sales of electricity or gas. The provision
3275 may be based on changes to either total retail sales or per customer
3276 retail sales. That specifically and directly result from new or ongoing
3277 energy efficiency, conservation, demand response or load management
3278 initiatives implemented by the company. The department shall include
3279 such provision in any energy adjustment clause approved for an
3280 electric company if it determines (1) that a significant cause of excess
3281 earnings by the electric company is an increase in actual retail sales of
3282 electricity over projected retail sales of electricity as determined at the
3283 time of the electric company's most recent rate amendment, and (2)
3284 that such provision is likely to benefit the customers of the electric
3285 company. The department may include such provision in any
3286 purchased gas adjustment clause or energy adjustment clause
3287 approved for a gas company or an electric company on or after the
3288 issuance of a final decision in a proceeding on amendments to rate
3289 schedules for such company.

3290 Sec. 584. Subdivision (6) of subsection (a) of section 16-244e of the
3291 general statutes is repealed and the following is substituted in lieu

3292 thereof (*Effective July 1, 2007*):

3293 (6) Once unbundling is completed to the satisfaction of the
3294 department and consistent with the provisions of section 16-244, (A)
3295 any corporate affiliate or separate division that provides electric
3296 generation services as a result of unbundling pursuant to this
3297 subsection shall be considered a generation entity or affiliate of the
3298 electric company, and the division or corporate affiliate of the electric
3299 company that provides transmission and distribution services shall be
3300 considered an electric distribution company, and (B) an electric
3301 distribution company shall not own or operate generation assets,
3302 except as provided in this section and section 16-243m.

3303 Sec. 585. Subsection (d) of section 16-19ss of the general statutes is
3304 repealed and the following is substituted in lieu thereof (*Effective July*
3305 *1, 2007*):

3306 (d) Nothing in this section shall be construed to allow an electric
3307 distribution company to own, operate, lease or control any facility or
3308 asset that generates electricity, or retain any interest in such facility or
3309 asset as part of any transaction concluded pursuant to this section,
3310 except as provided in subsection (e) of section 16-244e and section 16-
3311 243m.

3312 Sec. 586. Section 16a-2 of the general statutes is repealed and the
3313 following is substituted in lieu thereof (*Effective from passage*):

3314 As used in this chapter and sections 16a-45a, 16a-46, 16a-46a and
3315 16a-46b:

3316 (a) "Office" means the Office of Policy and Management;

3317 (b) "Board" means the Connecticut Energy Advisory Board;

3318 (c) "Secretary" means the Secretary of the Office of Policy and
3319 Management;

3320 (d) "Energy" means work or heat that is, or may be, produced from

3321 any fuel or source whatsoever;

3322 (e) "Energy emergency" means a situation where the health, safety
3323 or welfare of the citizens of the state is threatened by an actual or
3324 impending acute shortage in usable energy resources;

3325 (f) "Energy resource" means natural gas, petroleum products, coal
3326 and coal products, wood fuels, geothermal sources, radioactive
3327 materials and any other resource yielding energy;

3328 (g) "Person" means any individual, firm, partnership, association,
3329 syndicate, company, trust, corporation, limited liability company,
3330 municipality, agency or political or administrative subdivision of the
3331 state, or other legal entity of any kind;

3332 (h) "Service area" means any geographic area serviced by the same
3333 energy-producing public service company, as defined in section 16-1;

3334 (i) "Renewable resource" means solar, wind, water, wood or other
3335 biomass source of energy and geothermal energy;

3336 (j) "Energy-related products" means (1) energy systems and
3337 equipment that utilize renewable resources to provide space heating or
3338 cooling, water heating, electricity or other useful energy, (2) insulation
3339 materials, and (3) equipment designed to conserve energy or increase
3340 the efficiency of its use, including that used for residential, commercial,
3341 industrial and transportation purposes;

3342 (k) "Energy-related services" means (1) the design, construction,
3343 installation, inspection, maintenance, adjustment or repair of energy-
3344 related products, (2) inspection, adjustment, maintenance or repair of
3345 any conventional energy system, (3) the performance of energy audits
3346 or the provision of energy management consulting services, and (4)
3347 weatherization activities carried out under any federal, state or
3348 municipal program;

3349 (l) "Conventional energy system" means any system for supplying
3350 space heating or cooling, ventilation or domestic or commercial hot

3351 water which is not included in subdivision (1) of subsection (j) of this
3352 section; [and]

3353 (m) "Energy supply" means any energy resource capable of being
3354 used to perform useful work and any form of energy such as electricity
3355 produced or derived from energy resources which may be so used;
3356 and

3357 (n) "Energy facility" means a structure that generates, transmits or
3358 stores electricity, natural gas, refined petroleum products, renewable
3359 fuels, coal and coal products, wood fuels, geothermal sources,
3360 radioactive material and other resources yielding energy.

3361 Sec. 587. Section 16a-7b of the general statutes is repealed and the
3362 following is substituted in lieu thereof (*Effective from passage*):

3363 (a) Not later than December 1, 2004, the Connecticut Energy
3364 Advisory Board shall develop infrastructure criteria guidelines for the
3365 evaluation process under subsection (f) of section 16a-7c, which
3366 guidelines shall be consistent with state environmental policy, state
3367 economic development policy, the state's policy regarding the
3368 restructuring of the electric industry, as set forth in section 16-244, and
3369 the findings in the comprehensive energy plan prepared pursuant to
3370 section 16a-7a, and shall include, but not be limited to, the following:
3371 (1) Environmental preference standards; (2) efficiency standards,
3372 including, but not limited to, efficiency standards for transmission,
3373 generation and demand-side management; (3) generation preference
3374 standards; (4) electric capacity, use trends and forecasted resource
3375 needs; (5) natural gas capacity, use trends and forecasted resource
3376 needs; and (6) national and regional reliability criteria applicable to the
3377 regional bulk power grid, as determined in consultation with the
3378 regional independent system operator, as defined in section 16-1. In
3379 developing environmental preference standards, the board shall
3380 consider the recommendations and findings of the task force
3381 established pursuant to section 25-157a and Executive Order Number
3382 26 of Governor John G. Rowland.

3383 (b) No municipality other than a municipality operating a plant
3384 pursuant to chapter 101 or any special act and acting for purposes
3385 thereto may take an action to condemn, in whole or in part, or restrict
3386 the operation of any existing and currently operating energy facility, if
3387 such facility is first determined by the Department of Public Utility
3388 Control, following a contested case proceeding, held in accordance
3389 with the provisions of chapter 54, to comprise a critical, unique and
3390 unmovable component of the state's energy infrastructure, unless the
3391 municipality first receives written approval from the department, the
3392 Office of Policy and Management, the Connecticut Energy Advisory
3393 Board and the Connecticut Siting Council that such taking would not
3394 have a detrimental impact on the state's or region's ability to provide a
3395 particular energy resource to its citizens.

3396 Sec. 588. Section 4a-67d of the general statutes is repealed and the
3397 following is substituted in lieu thereof (*Effective from passage*):

3398 (a) The fleet average for cars or light duty trucks purchased by the
3399 state shall: (1) On and after October 1, 2001, have a United States
3400 Environmental Protection Agency estimated highway gasoline mileage
3401 rating of at least thirty-five miles per gallon and on and after January 1,
3402 2003, have a United States Environmental Protection Agency estimated
3403 highway gasoline mileage rating of at least forty miles per gallon, (2)
3404 comply with the requirements set forth in 10 CFR 490 concerning the
3405 percentage of alternative-fueled vehicles required in the state motor
3406 vehicle fleet, and (3) obtain the best achievable mileage per pound of
3407 carbon dioxide emitted in its class. The alternative-fueled vehicles
3408 purchased by the state to comply with said requirements shall be
3409 capable of operating on natural gas or electricity or any other system
3410 acceptable to the United States Department of Energy that operates on
3411 fuel that is available in the state.

3412 (b) Notwithstanding any other provisions of this section, (1) on and
3413 after January 1, 2008, any car or light duty truck purchased by the state
3414 shall have an efficiency rating that is in the top third of all vehicles in
3415 such purchased vehicle's class and fifty per cent of such cars and light

3416 duty trucks shall be an alternative fueled, hybrid electric or plug-in
3417 electric vehicle, and (2) on and after January 1, 2010, any car or light
3418 duty truck purchased by the state shall have an efficiency rating that is
3419 in the top third of all vehicles in such purchased vehicle's class and one
3420 hundred per cent of such cars and light duty trucks shall be alternative
3421 fueled, hybrid electric or plug-in electric vehicles.

3422 ~~[(b)]~~ (c) The provisions of ~~[subsection (a)]~~ subsections (a) and (b) of
3423 this section shall not apply to cars or light duty trucks purchased for
3424 law enforcement or other special use purposes as designated by the
3425 Department of Administrative Services.

3426 ~~[(c)]~~ (d) As used in this section, the terms "car" and "light duty
3427 truck" shall be as defined in the United States Department of Energy
3428 Publication DOE/CE -0019/8, or any successor publication.

3429 Sec. 589. *(Effective from passage)* The sum of three million dollars is
3430 appropriated to the Department of Public Utility Control, from the
3431 General Fund, for the fiscal year ending June 30, 2007, to fund the gas
3432 conservation plan established pursuant to section 16-32f of the general
3433 statutes, as amended by this act.

3434 Sec. 590. *(Effective from passage)* The sum of three million dollars is
3435 appropriated to the fuel oil conservation account established pursuant
3436 to section 515 of this act, from the General Fund, for the fiscal year
3437 ending June 30, 2007."